FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 157 *12 August 1983*

ARGENTINA

Financial Restrictions on UK Profits Lifted B 1
Financial Package Includes Budget Cuts, Tax Hike B 1

BOLIVIA

IMF Likely To Authorize $300-Million Loan C 1
Demonstration Reported at Chilean Consulate C 1

BRAZIL

IMF Accord Sought; Oil Contracts Signed D 1
[LATIN AMERICAN DAILY POST 11 Aug]
Government Reportedly To Seek Paris Club Help D 1
[JORNAL DO BRASIL 10 Aug]

CHILE

Events Related to 4th Day of National Protest E 1
Interior Minister on Situation E 1
Valparaiso Sets Traffic Ban E 1
Priest Arrested E 1
Police Report Attacks E 2
Military Patrol Action E 2
Feminists Join Protest E 3
Interior Minister Cautions People E 3
Curfew Imposed E 4
Curfew Edict Announced E 4
Education Ministry Suspends Classes E 5
EFE Reports Incidents E 6
Police Detain Journalists E 6
Troops Enforce Curfew E 7
Defiance of Curfew E 7
5 Wounded, Dozens Arrested E 8
Explosions Heard During Curfew E 9
Two Dead in Santiago E 10
EFE Reports 5 Dead E 10
AFP Reports Casualties, Arrests E 11
Police Report Protest Casualties E 11
Interior Minister Holds Press Conference E 11
Labor, Political Leaders View Cabinet Reshuffle E 13

ECUADOR

President Hurtado's State of Nation Address G 1
Foreign Minister on Territorial Issue With Peru G 7
Briefs: Constitutional Law Delegates; Foreign Investment Figures; G 7
New Ambassadors; Public Information Secretary

PARAGUAY

More Political Prisoners Join Hunger Strike H 1
[ABC COLOR 11 Aug]
Agriculture Losses Estimated at $82 Million H 1
[HOY 6 Aug]
Foreign Missions Expected for Inauguration H 1
[ULTIMA HORA 11 Aug]

PERU

Doctors, Teachers Strike, Begin Fast J 1
Havana Reports Arrest of Shining Path Leaders J 1
Police To Be Sent Abroad for Antiterrorist Training J 1
[EL COMERCIO 5 Aug]

MEXICO

Plan for Refinancing External Debt Discussed M 1
[EXCELSIOR 8 Aug]
Briefs: Import, Export Figures M 1

PANAMA

De la Espriella on Guatemala, Cabinet Changes N 1
General Paredes Decorated by De la Espriella N 1
Noriega Scored for 'Panamanization of Politics' N 2
[LA PRENSA 11 Aug]
LA PRENSA Reports Findings on Company Subsidy [11 Aug] N 3

CENTRAL AMERICA

COSTA RICA

Invitation To Visit Aircraft Carrier Turned Down P 1
Peace Council Calls for March Protesting Maneuvers P 1
[Havana]
Concern Expressed Over Nicaragua's Debt P 1
[LA REPUBLICA 31 Jul]

EL SALVADOR

Foreign Minister Leaves for Dominican Republic P 2
[LA PRENSA GRAFICA 10 Aug]
Rights Commission on Zamora-Stone Meeting [Havana] P 2
Terrorists Dynamite Train in Tecoluca Area P 3
[EL DIARIO DE HOY 10 Aug]
Havana Reports Incident P 3
Rebels Inflict 182 Casualties in Cabanas P 3
Heavy Fighting Reported in Five Departments [Havana] P 3

GUATEMALA

Havana on Mejia's Plans for U.S. Bases P 4
IMPACTO Advocates Maintenance of Neutral Policy P 4
Church of the Word Recognizes New Government P 4

Party Seeks Creation of Civilian-Military Junta P 5
FAR, FP-31 Attack Mejia Victores in Communiques P 5

NICARAGUA

Senator Wilson, Party Arrive on Official Visit P 6
Daniel Ortega Meets Wilson P 6
Rebels Partially Destroy Jiguina Bridge P 7
UNAG Leader Killed; Peasants Kidnapped P 7
International Human Rights Congress Reported P 7
[Voice of Free Nicaragua]
Briefs: Mining Agreement With Mexico; P 9
Basic Grains Shortage

CUBA

Havana on U.S. Maneuvers, Shelling Incident Q 1
Charges Linking U.S. to Guatemalan Coup Cited Q 1
Composition of Kissinger Commission Scorned Q 2
Ortega Remarks on Economic Crisis in C.A. Cited Q 2
Briefs: Bolshevik Anniversary Marked Q 3

OTHER COUNTRIES

COLOMBIA

Lloreda Responds to Mejia Remarks on Contadora V 1

VENEZUELA

Zambrano Views Mejia Comments on Contadora V 1

DOMINICAN REPUBLIC

Mercedes Accuses U.S. of Base Plans on Island V 2
[Havana]

GUYANA

Briefs: Chinese Ambassador Credentials V 2

FINANCIAL RESTRICTIONS ON UK PROFITS LIFTED

PY120112 Buenos Aires DYN in Spanish 2116 GMT 11 Aug 83

[Text] Buenos Aires, 11 Aug (DYN) -- A high-ranking Central Bank official today confirmed the lifting of all financial restrictions that impeded the expatriation of profits to Great Britain by British enterprises located in Argentina. The official noted that these remittances total approximately $10 million.

The financial restrictions issue with Great Britain threatened, in the last few nours, the signing of the second "bridge loan" between Argentina and a consortium of 280 international banks. Economy Minister Jorge Wehbe and Central Bank Vice President Luis Mey today traveled to the United States for this purpose.

FINANCIAL PACKAGE INCLUDES BUDGET CUTS, TAX HIKE

PY112224 Buenos Aires TELAM in Spanish 1730 GMT 10 Aug 83

[Text] Buenos Aires, 10 Aug (TELAM) -- Severe restrictions on public expenditures, an increase in public services rates, continuation of the salary scales implementation, and a number of financial measures are contained in a communique released today by the Argentine Government.

The following is the text of the communique:

"During the coming months, before the transfer of power, the Argentine Government's main task is to prepare the road for the full activity of the democratic institutions and the free activity of elected officials.

"The government is aware of the economic and social developments, and the declarations of political groups, sectorial organizations, and responsible congregations such as the Catholic Church. This awareness has materialized in many ways, including through the meeting between the Episcopal Social Pastoral team and the economic cabinet.

"Due to this position, the government has decided to implement measures aimed at making the transition period develop in a tranquil environment, without sudden changes and problems affecting the basic tendencies of an already evident recovery. The measures do not cover all the points proposed by the Episcopal Social Pastoral team, but those points will be discussed in their respective sectors.

"Within this context, the government, starting tomorrow, will implement a series of measures to prevent obstructions to economic reactivation, which may in turn interfere in the orderly domestic transition to full democratic freedoms.

"The measures are the following:

"1. The financial market's free interest rates are eliminated. Starting today, the institutions cannot accept free interest rate deposits. However, the rates on prior deposits will continue until their maturity date expires.

"The rules on regulated interest rate deposits and the deposits indexed to exchange rates and cost of living remain unchanged. Therefore, savers will not see any changes in their interest rates.

"Financial institutions will not be able to grant clients loans at rates higher than the regulated interest rates with the exception of adjustable loans. The market will also have regulated and adjustable interest rates. This protects the interest of savers and debtors who enjoyed a substantial reduction in the cost of their financings.

During the next few months interest rates and devaluation rates in the foreign exchange market will be gradually reduced parallel to the decreasing scale of price increases. The government deems the current real exchange rate reasonable, making export operations feasible. Therefore, it does not require any additional increase in the daily adjustment to which it is subject.

In order to make the aforementioned measures effective, they must be accompanied by an immediate tax increase to prevent an increase of the fiscal deficit. Moreover, the Argentine Government, in order to lessen the burden of interest rates on state enterprises, will continue to cover the greater part of the services of its foreign debt.

As a consequence of the fiscal measures adopted, monetary expansion will continue within the limits compatible with the goals set to curb inflation.

2. Public expenditures will be severely restricted. Budget adjustments will only be authorized to meet previously authorized salary increases and the increased expenditures necessary to solve the flooding problems. Public works which still have not been authorized for construction and do not have the national resources will be postponed. However, the country's international commitment for the public works construction will be respected.

The Fonavi [national housing fund] will continue its housing construction program according to available funds.

3. Utility rates will only increase at a rate minimally necessary. For this purpose, a price policy will be implemented which will exclude liquid fuel prices, which may surpass the established limits.

4. Resolution No. 279/83 of the Economy Ministry will be modified in order to more strictly control the types of cases to be subject to commerce secretariat consideration. It is hereby established that, during the month of September, the enterprises listed in this resolution will not implement any price increases in view of the benefits measure No. 1 represents to them, and as of 1 October, prices will only be increased in a monthly percentage according to a resolution which will be issued in this regard.

5. The previously established salary scales will continue to be implemented according to the guidelines established by decree 489/82. Regarding the social security system, it is hereby established that increases for pensioners will be directly subject to the salary increases guidelines.

6. The government believes that the joint public effort required to cover, through new resources, the greater budget expenditures caused by inflation, the salary increases, and flood disasters should be partially compensated by relief in other tax burdens. For this purpose, scheduled tax reforms will be released through the Economy Ministry.

The Argentine Government believes that the announcement of the aforementioned measures and guidelines represents a suitable basis to continue analyzing the subjects of general interest proposed by the Episcopal Social Pastoral team and which have been brought up by various national sectors.

IMF LIKELY TO AUTHORIZE $300-MILLION LOAN

PY111454 Madrid EFE in Spanish 0851 GMT 10 Aug 83

[Excerpt] La Paz, 10 Aug (EFE) -- Bolivian Finance Minister Flavio Machicado today informed the press that the "IMF is the only alternative for overcoming the national economic crisis."

On Tuesday, Machicado said that there is a strong possibility that on 23 September the IMF will authorize the granting of a $300-million soft loan to Bolivia. He noted that through this credit, which will widen the range of possibilities, Bolivia will be able to renegotiate its foreign debt with the foreign private banking sector. Bolivia has pending debts of over $4 billion.

Machicado, who submitted his resignation from his post but who is continuing to direct Bolivian economic policy until a replacement is appointed, noted that the IMF is the only organization that grants "fresh" freely available credits to support the economic recovery process of its member countries.

An IMF mission will arrive in La Paz in August to sign a "letter of intent" with local officials in order to expedite the possible authorization of a soft loan. The finance minister noted that IMF experts will conduct inspections in the field to see if the Bolivian Government is complying with the economic policy outlined in previous negotiations held to obtain the soft loan.

DEMONSTRATION REPORTED AT CHILEAN CONSULATE

PY111828 Madrid EFE in Spanish 1614 GMT 11 Aug 83

[Text] La Paz, 11 Aug (EFE) -- Hundreds of people staged a demonstration today in front of the Chilean Consulate in La Paz that was aimed at "venting their repudiation of General Augusto Pinochet's regime," the organizers said.

The Bolivian Labor Federation (COB) and student organizations called on their rank and file to join the demonstration and "to show their full solidarity with the struggle of the Chilean people to achieve union freedom and democracy and respect for human rights."

The COB, Bolivia's top union organization, has termed Augusto Pinochet's government as "bloody."

Bolivian union leaders have voiced their support of the third day [as received] of protest against Pinochet's government in Chile. This protest is "the Chileans workers' and people's means to fight and overthrow the dictatorship," they said.

IMF ACCORD SOUGHT; OIL CONTRACTS SIGNED

PY120057 Rio de Janeiro LATIN AMERICAN DAILY POST in English 11 Aug 83 p 1

[Excerpt] Brasilia (DAILY POST) -- Contrary to expectations, Brazil and the International Monetary Fund Wednesday failed to conclude their discussions on the revised letter of intent required for continued IMF assistance to the country. Another meeting was scheduled for today between the IMF team and Brazilian officials. At the end of the discussions Wednesday, Thomas Reichmann, head of the IMF team, said that Brazil and the Fund were close to agreement on the question of the year's inflation rate. Reichmann, however declined to elaborate on what figures the two sides were using. The Wednesday meeting lasted five hours and touched on all areas of the new accord.

Petrobras also announced Wednesday that it has already signed contracts with two petroleum firms, Texaco and Chevron for the supply of petroleum to Brazil. With the IMF negotiation continuing, some of Brazil's traditional oil suppliers have refused to grant the country the payment schedules that Petrobras wants. As a result the company has turned to the petroleum firms to act as middle-men, buying from oil exporting countries and then selling to Brazil. In this manner, the country hopes to guarantee the critical supply of petroleum for the nation. Petrobras said Wednesday it hopes to sign contracts shortly with Shell, Exxon and Atlantic as well. The Texaco and Chevron deals call for payment in 180 days.

Reichmann, head of the IMF's Brazilian desk and the Technical mission, said before the meeting Wednesday that the Fund considers of the utmost importance the approval by Congress of the recent Decree No 2045, which limits salary increases to 80 percent of the cost of living index. The rupture in the parliamentary agreement between the Brazilian Labor Party (PTB) and the government party (PDS), announced Tuesday by PTB president Deputy Ivete Vargas, would constitute a further complication in negotiations with the IMF, according to various sources.

GOVERNMENT REPORTEDLY TO SEEK PARIS CLUB HELP

PY120006 Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Aug 83 p 1

[Text] Brazil will have to resort to the Paris Club to renegotiate its debt directly with the governments of the main industrialized countries, said a reliable government source who also explained: "It is the last playing card" to prevent asking for a moratorium. The Paris Club is made up of government representatives of the creditor countrie and of the multilateral credit agencies such as the World Bank and the IMF. According to this source, the ministers of the economic area already agreed on the need to resort to the Paris Club. The official announcement depends on President Figueiredo's arrival the day after tomorrow. In the Sunday edition of JORNAL DO BRASIL, U.S. banker Tony Gebauer, who coordinated the renegotiation of the Brazilian debt, suggested going to the Paris Club.

Pedro Conde, vice president of the Bank Federation, revealed that Acting President Aureliano Chaves is skeptical about an agreement with the IMF. If the IMF Formula is applied indistinctively to all countries "without considering the peculiarities of each," the IMF will no longer function," said Conde reproducing Aureliano's remarks. Later on after a meeting with the planning minister, Conde returned to the press room of the Planalto Palace saying: "At no time did Aureliano refer to the IMF."

EVENTS RELATED TO 4TH DAY OF NATIONAL PROTEST

Interior Minister on Situation

PY111349 Madrid EFE in Spanish 1324 GMT 11 Aug 83

[Excerpts] Santiago, 11 Aug (EFE) -- Sergio Onofre Jarpa, the new Chilean interior minister, has stated that the implementation of a curfew this afternoon "will depend on how the boys behave." The secretary of state [as received] was referring to the attitude which the university students may adopt in the early hours of the fourth day of national protest organized by members of the political opposition that make up PRODEN (National Development Project).

The only signs of the day of protest which could be seen early this morning were the obvious reduction in the number of taxis and urban buses and a drop in the number of students attending classes in high schools and universities. Since Wednesday evening members of the Carabineros and Army have been stationed or patrolling the streets of downtown Santiago as well as the neighborhoods in the outskirts of the capital.

Valparaiso Sets Traffic Ban

PY111417 Santiago Domestic Service in Spanish 1100 GMT 11 Aug 83

[Text] According to Resolution No 138 released by the chief of the state of emergency zone, a traffic restriction is imposed for Valparaiso and Easter Island Provinces from 2000 on 11 August to 0600 on 12 August.

In accordance with the powers bestowed upon me by the government, as provided for under Article 41 and 4 of the Constitution, and Articles 33 and 34 of Law No 12,927 (State Security Law), I hereby order:

1. That between 2000 on 11 August 1983 and 0600 on 12 August 1983 the circulation of engine-driven vehicles is prohibited.

2. Once the abovementioned period of time has elapsed, the provision governing the circulation of vehicles as per Resolution No 137, dated 19 June 1983, will be in force. That is, from Monday through Thursday between 0200 and 0530 and on the eve of holidays, from Friday to Saturday and from Saturday to Sunday, traffic will be restricted between 0300 and 0530 until a new order is issued.

3. The mass media must widely disseminate what has been ordered in the preceding paragraphs.

Signed, Vice Admiral Luis de los Rios Echeverria, Chief of the State of Emergency Zone, Valparaiso and Easter Island Provinces.

Priest Arrested

PY111455 Santiago Radio Agricultura in Spanish 1400 GMT 11 Aug 83

[Police Report by Nelson Sandoval]

[Text] A Catholic priest and four other persons were arrested in Vina del Mar this morning for carrying 100 devices for puncturing tires and 600 leaflets calling for support for today's protest in a van belonging to Caritas Chile.

The event took place at the [name indistinct] sector of Vina del Mar during a routine check of the van which carried license plate EZU-348 of Valparaiso. As we just said, the van belongs to Caritas Chile and was driven by Benedictine (Froilan Vera Corrotea), 30. Also riding in the van were (Peter Eduardo Miranda), (David Benegas Grondona), (Hernan Arancibia), and (Rolando Cisterna Morales). When the police went through the vehicle they found 100 tire-puncturing devices and 600 leaflets. The five persons involved have been placed at the disposal of the Interior Ministry and charged with violating the state internal security law.

At the same time a bus was attacked in Santiago early this morning. The bus was set on fire and totally destroyed. The event took place at the corner of Ferrocarril and Mirador Streets and involved a bus bearing license plate GAL-733 from Maipu which was on its regular route from Plaza del Gallo to Estacion Central, driven by (Alejandro Garcia Platonin), 31.

The bus was boarded by four individuals armed with knives who forced the driver to leave. They went on to pour gasoline inside the vehicle and set fire to it. The bus was totally destroyed. So far there have been no other violent incidents in the capital. The day is marked by considerable reduction of public transport and absenteeism at schools.

Police Report Attacks

PY111548 Santiago Domestic Service in Spanish 1500 GMT 11 Aug 83

[Dispatch by (Daniel Ortiz)]

[Text] A few minutes ago the public relations department of the Investigative Police General Board released an official communique reporting on attacks against some agents of the civilian police in different parts of the city. The text of the official communique reads as follows:

The Public Relations Department of the Chilean Investigative Police wants to inform the people that yesterday, while carrying out preventive vigilance, several police agents were attacked in different points of the city by mobs led by subversive delinquents. Thus, on the corner of G Street and Jose Pedro Alessandri Street and (?Greece) Avenue, vehicles of the investigative police were damaged by an attack with rocks. One of the attackers was detained. On (Lo Vaya) and Valparaiso Streets, a group of persons throwing rocks at cars in the area attacked a police car, injuring one of its occupants who had to be taken to the public (?hospital). The vehicle was also damaged.

This institution, therefore, charges the promoters of the, quote, peaceful, unquote, demonstrations for the injuries caused to the authorities and for the damages caused to the official vehicles, and it will adopt the appropriate legal actions against them. The communique is signed by the chief prefect of the Public Relations Department of the investigative police, Luis Jose Arias, who, as we said, reports on the attacks on some police cars in different points of the capital by mobs led by subversive delinquents.

Military Patrol Action

PY111801 Paris AFP in Spanish 1743 GMT 11 Aug 83

[Text] Santiago, 11 Aug (AFP) -- The evening newspaper LA SEGUNDA reported today that a military patrol fired against antigovernment demonstrators in the Lo Hermida neighborhood of Santiago, Chile. Four of the demonstrators were wounded.

According to the report, the incident took place last night, on the eve of the fourth day of peaceful demonstrations that are being carried out by the citizens against President Augusto Pinochet's regime. The days of protest have been called for by an opposition democratic alliance.

LA SEGUNDA reported that the soldiers opened fire when they were stoned by a group of people. It has also been reported that three of the demonstrators are seriously wounded.

A member of the army was also wounded last night in the Lo Hermida neighborhood, located on the eastern outskirts of the city, but the details of the incident have not been confirmed, the Santiago newspaper adds.

Feminists Join Protest

PY111858 Paris AFP in Spanish 1500 GMT 11 Aug 83

[Text] Santiago, 11 Aug (AFP) -- The newly created Feminist Movement of Chile [Movimiento Femenino de Chile -- MFC] joined today's citizens' protest against President Augusto Pinochet's military regime, and immediately added its demands to the list of petitions.

Democracy in the country ... and in the home. Protest against violence, including that which is suffered in the home, one of the MFC leaflets read. The loss of freedom in Chile should be represented by the black robe of mourning, the leaflets added. The movement, whose demands have been revealed here in a pamphlet entitled Rage, is engaged in making women more visible here, because the woman, here and everywhere else, is a victim and object of a story told and made up by man alone, according to the criticisms of their leaders.

Militants of the MFC, which only came into existence recently, displayed antigovernment banners on the main street of Santiago on Wednesday, thus anticipating their joining the peaceful demonstrations against the government called for today by the opposition group Democratic Alliance, which is made up of rightists and leftists.

Interior Minister Cautions People

PY111712 Santiago Domestic Service in Spanish 1600 GMT 11 Aug 83

[Relay from Government House by Graciela Contreras]

[Text] This morning, Interior Minister Sergio Onofre Jarpa held his first press conference for national and international media representatives. The conference, held at his office in the Interior Ministry, lasted over an hour. Sergio Onofre Jarpa, who took over as interior minister yesterday after 2000, discussed political, economic, and social subjects during the press conference. Here are some of his statements during the press conference, and a message he addressed to the Chilean citizenry.

[Begin recording] [Question indistinct]

[Answer] I would tell them not to allow themselves to be used to create an atmosphere of chaos and violence which would not serve a democratic opening nor solve the country's economic and social problems. I would ask them to have confidence.

We are not here to waste time taking part in a political masquerade. We are here to do things seriously and properly and to respond to the support which we have received from different sectors of the citizenry which have been in contact with me during the past few days offering their help to carry out these tasks. [end recording] Interior Minister Sergio Onofre Jarpa reiterated that the government does not intend to carry out a rightist policy but one of full and open democracy.

Curfew Imposed

PY111600 Santiago Domestic Service in Spanish 1540 GMT 11 Aug 83

[Text] The command of the state of emergency zone of the metropolitan region and San Antonio Province has imposed a curfew beginning at 1830 today until 0530 tomorrow, 12 August.

Curfew Edict Announced

PY111726 Santiago Domestic Service in Spanish 1550 GMT 11 Aug 83

[Text] Radio Nacional, Chile, is always close to the news. We will now read the full text of Edict 247, which has been released by the headquarters of the zone in a state of emergency of the metropolitan area and San Antonio Province. Whereas:

A. Considering the regulations under letter "A," paragraph 1 of Transitory Law 15 of the Constitution;

B. Considering the regulations under points 4 and 6 of Article 41 of the republic's Constitution and under Articles 33 and 34 of Law 12,927 regarding state security;

C. Considering what is ordered in Supreme Decree 789, dated 3 July 1983, released by the Interior Ministry;

Considering: (1) That during all the recent protests, acts of vandalism and terrorism have been carried out with the regretable loss of life and with important damage to private property;

(2) That it is the unavoidable duty of this headquarters to maintain and safeguard the security of the population and of the citizens who reject the actions of those aggressors; and

(3) Considering the powers that are granted to me as chief of the zone in a state of emergency of the metropolitan area and San Antonio Province, I order:

1. A curfew between 1830 on 11 August and 0530 12 August 1983.

2. The forces of law and order that are under my command will have the mission of safeguarding public order; giving protection to public services; guaranteeing the peace of the citizens; and preventing subversive and vandalistic actions.

3. The circulation of people, individually or in groups, in vehicles or by any other means, in the streets is prohibited. This means that the population must remain in their homes, or in their jobs in the cases of night jobs.

4. The following are exempted from this order: The vehicles of the Armed Forces, police and the forces of order, government authorities, members of the judicial sector, members of the diplomatic corps, members of the firefighting sector, and ambulances. All these people must carry their respective credentials.

5. Notwithstanding the above, any vehicle, including those cited above, will be under the strict control of the public forces at all times, and the drivers will give all necessary help. Buses that have to carry passengers to the airport also are exempted. The drivers must obtain their passes at the airport from the officers of the general headquarters of Santiago's Air Force unit. The tickets, identity card, or passport of passengers will serve as their pass.

6. If under certain circumstances a citizen has an urgent need to be on the streets during the curfew without authorization, because of sickness, accident or any other cause, he must approach the first member of the public force that he sees on duty in his sector to explain his situation.

7. While this restriction is in force, no public transport is allowed to circulate (private or state owned); neither will taxis be allowed to circulate.

8. Theaters, cinemas and similar activities; bars, soda fountains and places that attend the public, must close down with the necessary anticipation, thus helping to implement what has been ordered.

9. Any citizen violating this order who is confronted by the Armed Forces or forces of order must stop on command and then approach to be identified and questioned. The Armed Forces and the forces of order have precise orders to implement this order.

10. Those who try to provoke armed personnel must understand that the regretable consequences that can stem from provocation will be the absolute responsibility of those who carry out the provocations.

The civilian population, especially the young people, are urged not to play the game of the Marxists, subversives, or common criminals, who only want to alter peaceful coexistence.

11. It is reiterated that the Armed Forces and the forces of law have the mission of safeguarding public order and ensuring the peace of the citizens, for which they have been appropriately trained.

Signed: Osvaldo Hernandez Pedreros, major general, chief of the zone in a state of emergency for the metropolitan region and San Antonio Province.

Education Ministry Suspends Classes

PY111748 Santiago Domestic Service in Spanish 1700 GMT 11 Aug 83

[Relay from the Chilean Education Ministry]

[Text] The Education Ministry has decided to suspend classes this afternoon for all state and private institutions, including commercial schools and child-care centers. Evening and night shifts are also suspended. The measure is aimed at ensuring the safety of students, allowing them to return to their homes before the onset of the curfew.

EFE Reports Incidents

PY111946 Madrid EFE in Spanish 1839 GMT 11 Aug 83

[Excerpts] Santiago, Chile, 11 Aug (EFE) -- Five persons were wounded in an incident between the residents of Lo Hermida neighborhood of Santiago and military forces that were on patrol in the area. After the incident a house-by-house search was carried out in the neighborhood, but no arrests have been reported.

Moreover, a demonstration by university professionals who were marching while singing the song "One Million Friends" at noon today in Plaza Brazil was dispersed by Carabineros, who arrested approximately 70 persons, according to Radio Cooperativa.

A niece of the Archbishop of Santiago, Juan Francisco Fresno, and a niece of the archbishop secretary general of the Episcopal Conference, Bernardino Pinera, are among those who were arrested. Pinera's niece is the sister of a former minister of the current regime, Jose Pinera.

Student demonstrations took place this morning in front of the library of the University of Chile and at the Law College of the same university. They were dispersed by Carabineros using tear gas.

Meanwhile, the Institute of Pedagogy, where confrontations between students and Carabineros took place yesterday, was completely encircled today by police forces and access was not permitted. Classes have been suspended until next Tuesday.

In Concepcion, 500 km south of Santiago, some student incidents were also recorded when a group of more than 2,000 university students left the campus for the streets where they were dispersed by Carabineros using tear gas. An unspecified number of students were detained. A demonstration was also staged in front of the court in Concepcion.

Five students were also detained during a demonstration broken up by Carabineros in Valparaiso -- the country's main port -- 130 km from Santiago, when these students were marching from the university to the intendance.

Regarding a different type of incident, it should be noted that during the past few hours two buses were burned out in Concepcion and one in Santiago. In Santiago, four hooded persons forced the bus driver to get off and then poured gasoline on the bus and set it afire.

Both downtown Santiago and the neighborhoods are being patrolled intensively by Carabineros and Army troops. The Union of Businessmen has been given the recommendation that they close their stores as of 1600 (2000 GMT) to allow workers to return to their homes before the beginning of the curfew at 1830.

Police Detain Journalists

PY112319 Madrid EFE in Spanish 2250 GMT 11 Aug 83

[Text] Santiago, 11 Aug (EFE) -- Police today seized photographs and film that a Spanish journalist and a French television team had taken during the ongoing day of protest in Chile.

Spanish journalist Santiago Aroca, of TIEMPO magazine, was detained while taking pictures of police and military forces in the vicinity of the Nunoa neighborhood. Aroca was taken to the police headquarters and asked to hand over the rolls of film he had taken.

The members of a French television team also had to destroy the film they had taken. According to team spokesman Hernan Castro, the film included a conference that new Interior Minister Sergio Onofre Jarpa had hosted this morning. Castro added that all team members had cards issued by the National Social Communications Agency (DINACOS). Both cases were reported to the respective embassies.

Troops Enforce Curfew

PY112318 Paris AFP in Spanish 2236 GMT 11 Aug 83

[Excerpts] Santiago, 11 Aug (AFP) -- Tonight the curfew went into effect in Santiago, leaving the streets deserted and under the control of well armed military and police patrols. Minutes after it went into effect, it was possible to observe in the Santiago downtown area, along with soldiers and policemen, a large number of plainclothes agents of the National Intelligence Center (CNI).

Around the La Moneda Presidential Palace, near the AFP offices, Army patrols with automatic weapons took positions to start a watch which will last 11 hours.

Defiance of Curfew

PY120400 Paris AFP in Portuguese 0257 GMT 12 Aug 83

[Text] Santiago, 11 Aug (AFP) -- In the poorest and the richest neighborhoods of Santiago, thousands of people beat pots and pans, made noise with other utensils, and blew car horns within the premises of their houses, while groups of demonstrators built barricades on the streets and lit bonfires, and military patrolmen fired their automatic weapons into the air -- all in the midst of a government declared curfew.

The concert of pots and pans marked the closing of the fourth day of national protest which was sponsored by the Democratic Alliance (formed by parties of the right and even of the Marxist left), which is calling for the resignation of President Augusto Pinochet and the formation of a transition government to end 10 years of military rule.

The noisy demonstrations, just like the three previous ones, took place in the posh neighborhoods of Vitacura, Apoquindo, and Providencia, as well as in downtown highrises and the squalid neighborhoods of San Miguel, Quinta Normal, Pudahuel, and Conchali, according to numerous witnesses. Nevertheless, today's national day of protest was different from previous ones: The beating of pots and pans, the honking of horns, and the ringing of bells was today accompanied by rifle and machinegun fire by soldiers, who have been heavily patrolling the streets since the start of the curfew, 1830 local time (1930 Brasilia time).

Despite the curfew, which prohibits the 4 million Santiago inhabitants from being on the streets until 0530 on Friday, residents of apartment buildings came out on the streets and set up barricades on Jose Miguel Carrera Avenue, on Carmen Street, and in other southern sectors of Santiago, thus openly challenging police repression.

Barricades were also set up in the northern sector of Santiago and a loud explosion was immediately heard [words indistinct] several blocks.

After the curfew, machinegun fire was heard in Providencia, a high middle-class neighborhood. Demonstrators were on the streets shouting slogans demanding "Democracy now" and "Pinochet get out."

Tonight, two members of the government Military Junta, Air Force General Fernando Matthei and General Cesar Mendoza, director of the Carabineros (military police), separately visited the heavily populated La Victoria neighborhood, where there were several clashes with police and soldiers.

La Victoria is a working-class neighborhood with 32,000 inhabitants whose houses were raided on 14 May in keeping with a vast military operation carried out 3 days after the first national day of protest.

5 Wounded, Dozens Arrested

PY112311 Paris AFP in Spanish 2137 GMT 11 Aug 83

[Text] Santiago, 11 Aug (AFP) -- Five wounded demonstrators and dozens of arrests are the result of the first hours of a new day of national protest in Chile called by the opposition who are calling for the resignation of President Augusto Pinochet.

While the capital was about to go into curfew, imposed for the second time in the last 30 days, well-armed military and police patrols covered the city while the government reiterated its call to the population not to let themselves be used by the supporters of violence.

The fourth day of national protest was organized by the recently created Democratic Alliance [ADCH], make up of Republican Rightists, Christian Democrats, Social Democrats, Radicals, and Socialists, with the objective of replacing the military regime established 10 years ago and establishing a government of transition to democracy.

The five wounded were hit by shots from a military patrol which opened fire after being attacked with stones by a group of people in the suburban Hermida neighborhood. Witnesses of the confrontation reported that a soldier was also wounded, but this report has not been confirmed.

At midmorning, columns of students from the University of Chile tried to hold a march in downtown Santiago, but they were stopped by police and soldiers. The Carabineros threw tear gas cannisters against the University of Chile School of Law, and they destroyed student placards that demanded "Democracy now."

Similar disturbances took place at the School of Medicine and at the Brazil Plaza, where 70 demonstrators were arrested when they began to hold a meeting called by a group of young professionals.

Violence between police and students also broke out in Concepcion, 525 km south of Santiago, where two city buses were burned by unidentified persons. Dozens of vehicles were destroyed in Santiago in the last few hours.

In Temuco, 700 km south of Santiago, mroe than 100 students marched through the downtown area and four demonstrators were arrested, two of them on charges of distributing pamphlet against the government.

In Valparaiso, 140 km north of Santiago, there was a bomb explosion in one of the largest schools and the police arrested five university students during a demonstration held in front of the regional government building.

Valparaiso officials banned all vehicle traffic on Thursday night and early Friday.

The habitual tranquillity of the port of Arica, 2,500 km to the north, was only disturbed today by a war of leaflets thrown on the streets. While some leaflets called upon the people to join the protest, others expressed support for the government of President Pinochet.

Reports datelined Arica and Valparaiso indicate that there was a marked reduction in urban transportation services and that absenteeism prevailed in elementary and high schools.

In Santiago, stores closed their doors early in the afternoon while most of the 4 million inhabitants hastened back home in the face of the imminent curfew that was to last from 1830 (2230 GMT) to 0530 on Friday.

The curfew, during which civilians are not allowed to circulate about on the streets, was enforced on 12 July during the day of national protest. However, people erected barricades and clashed with police in some outskirts of Santiago. Observers believe that an atmosphere of tension has been created this time by military soldiers, armed with submachine guns and helmets and dressed in military fatigues, who occupied strategic positions in bridges and major highways.

Dialogue is difficult with a pistol pointing at your chest, Bishop Jose Manuel Santos said. He is the president of the Episcopal Conference which has been meeting since Monday to analyze the Chilean situation and the fruitless negotiations undertaken by the church to bring about an understanding between the administration and the opposition.

New Interior Minister Sergio Onofre Jarpa reiterated today that the appointment of a new cabinet by President Pinochet yesterday marks the beginning of an opening stage toward political normalization.

Jarpa, a representative of the Nationalist Right, called on the people not to let themselves be used by those who are trying to create a climate of chaos and violence which in no way contributes in the advance toward a political opening.

Speaking to journalists after taking office today as cabinet chief, Jarpa rejected the representatives of the ADCH who promoted the day of protest calling for Pinochet's resignation. The minister said that the request should not lead to deception, because we are here to take things seriously but not to worry over the fantasies of some gentlemen who are noted by their exhibitionism.

Explosions Heard During Curfew

PY120135 Paris AFP in Spanish 0028 GMT 12 Aug 83

[Excerpt] Santiago, Chile, 11 Aug (AFP) -- Machinegun shots were heard tonight throughout Santiago after the enforcement of the curfew that was implemented by the government [words indistinct] a national day of protest that so far has resulted in five people wounded and hundreds detained.

The explosion of tear gas cannisters was clearly heard tonight after 1830 local time (2230 GMT), which is the hour that marked the start of the curfew that will expire at 0530 Friday morning.

According to witnesses who informed us by telephone, explosions were heard in the La Victoria, La Villa Olimpica, and La Villa de los Presidentes neighborhoods.

In the district of Carrascal [name indistinct], Marginal Paulo Jaraquemada, groups of demonstrators tried to build barricades with burned tires and rocks, but they were stopped by police and military patrols.

During a telephone conversation with AFP, a priest from the suburb of La Victoria said that at this time there is shooting. This is happening 1 hour after the start of the curfew that enjoins the 4 million inhabitants of Santiago not to be on the streets. La Victoria was today the scene of violent clashes between groups of citizens, mostly youths who threw rocks at the military patrols, and strongly armed policemen and military forces patrolling the streets.

According to the priest, the presence of the military patrols infuriated the people, since government agents had raided all the houses of this working-class neighborhood of 32,000 inhabitants on 14 May, 3 days after the holding of the first national day of protest that was called by the unions against the regime of General Augusto Pinochet. Before the curfew, which was enforced for the second time in the last 30 days, five demonstrators were wounded by shots fired by a patrol of soldiers in the Lo Hermida neighborhood.

According to police sources, there were violent clashes with police forces and over 200 demonstrators were arrested in downtown Santiago and near the university area. However, an unofficial report broadcast by Radio Cooperativa noted that more than 500 were arrested in Valparaiso and Concepcion.

Two Dead in Santiago

PY120348 Madrid EFE in Spanish 0331 GMT 12 Aug 83

[Text] Santiago, Chile, 11 Aug (EFE) -- Radio Cooperativa tonight reported that two persons were killed in the fourth national day of protest. Radio Cooperativa reported that Benedicto Gallego, a 25-year-old, died at about 2000 as a result of injuries he received from a bullet wound. The radio said that he was wounded while inside his house. The incident took place in the Quinta Normal district, nearby the Santiago downtown area.

The other casualty is a child who has been identified as 10-year-old Jaime Caceres Morales, who was dead upon arrival at the hospital. The circumstances of his death have not been reported. Radio Cooperativa also reported that there were about 10 wounded persons being treated at the main hospital and that university student Antonio Aguirre was under observation at the main hospital.

EFE Reports 5 Dead

PY120515 Madrid EFE in Spanish 0450 GMT 12 Aug 83

[Text] Santiago, 11 Aug (EFE) -- At least five persons have been killed during the fourth national day of protest observed today in Chile, according to a report by Radio Cooperativa.

Three new victims have been reported since the deaths of Benedictor Gallego Zabal, 25, and Jaime Perez Moral, 10, were reported by the same radio station during its 0300 GMT newscast. The new dead are Marcela Angelica Marchan, 8, Estanislao Morales, 20, and Jose Ivan Rojas, 9, in Vina del Mar.

According to Radio Cooperativa, Marcela Angelica Marchan was killed by a bullet in her house in the Santa Rosa neighborhood, and Estanislao Morales was mortally wounded by a bullet in his house in the Nunoa neighborhood. The child Jose Rojas died in Vina del Mar, 140 km from Santiago, as the result of the explosion of a device wrapped in a package which he picked up by a lamp post. The fourth day of protest against the regime of General Augusto Pinochet has so far caused five deaths, all of them youths who apparently did not directly take part in the protest.

AFP Reports Casualties, Arrests

PY121150 Paris AFP in Spanish 1029 GMT 12 Aug 83

[Excerpts] Santiago, Chile, 12 Aug (AFP) -- At least 10 persons were killed, including 3 children, approximately 100 were wounded, and more than 500 were arrested during the fourth day of national protest yesterday, Thursday, in Chile -- which concluded with violent demonstrations in an open challenge to the curfew that was implemented in Santiago. The violence and repression, which extended to Valparaiso, Concepcion, and Punta Arenas, marked the most tense day that Chileans have experienced since the 1973 military coup that overthrew socialist President Salvador Allende.

There were also incidents between demonstrators and the police in Valparaiso, where the authorities had prohibited the operation of vehicles between Thursday night and early Friday morning. There were also incidents in Concepcion and in the southern city of Punta Arenas, 2,500 km south of Santiago.

Police Report Protest Casualties

PY121430 Santiago Domestic Service in Spanish 1100 GMT 12 Aug 83

[Report from Police Headquarters by (Daniel Ortiz)]

[Excerpts] The death toll for the so-called fourth peaceful protest presumably amounts to 17. Unconfirmed reports indicate that there have been 17 deaths. There are 65 wounded and approximately 1,200 people have been arrested. Unconfirmed reports also indicate that there are at least 65 persons wounded, among them several officers, who were attacked with guns and flammable devices.

INTERIOR MINISTER HOLDS PRESS CONFERENCE

PY111907 Santiago Domestic Service in Spanish 1730 GMT 11 Aug 83

[Report from Government House by Graciela Contreras on new Interior Minister Sergio Onofre Jarpa's press conference at the Interior Ministry in Santiago on 11 August]

[Text] Interior Minister Sergio Onofre Jarpa today addressed the citizenry upon assuming his new position.

The new minister said that Chileans should not allow themselves to be used to create an atmosphere of chaos and violence, which would by no means serve a democratic opening nor would it solve the economic and social problems of the country. I would like to ask them to have confidence. We are not here, he added, to waste time taking part in a political masquerade. We are here to do things seriously and properly and respond to the support we have received from the citizenry which has been in contact with me during the past few days offering their help to carry out these tasks.

Sergio Onofre Jarpa Reye granted his first press conference to journalists of both the national and international news media. The meeting, which took place at his office in the Interior Ministry, lasted approximately 1 hour. During the press conference the minister made an in-depth analysis of the political, social, and economic status of the nation. He emphasized, for example, that the political plan has several aspects: [Begin recording] The political plan has various aspects epitomized by the stepping up of the studies of various so-called organizational and constitutional laws, some of which the president of the nation already mentioned a few days ago. Some of these laws on which attention is focused include the political parties statute, the electoral law, the electoral court law, the national congress law, the state organizational and administrative law, the regional development councils law, the municipalities law, the laws which deal with the organization and power of the judicial branch, the central bank law, the law on the organization of the office of the Comptroller General, the general law on education and the law which governs the exceptional states [state of siege, state of emergency, etc.]. I believe that there are several more laws, a long list in fact; if you like, I can give you the list later because there are more than 40 laws in it.

This set of new laws is aimed at making progress toward the institutionalization of the country in keeping with the provisions of the Constitution in force. We hope that the people representing different schools of opinion who will be invited will cooperate with the government in the study of these laws so that this task will be performed jointly by all interested parties and we will be able to do it in the most appropriate manner and as soon as possible. [end recording]

Later, in response to a question regarding whether he, as minister, believed in the need to implement the provisions of transitory Article 24, Jarpa indicated that he is in favor of applying the law whenever necessary because the important thing is to maintain tranquillity in the country and protect the rights of the people.

Jarpa was asked: You are viewed as a minister for dialogue and reconciliation. What do you want from the people? He answered: [Begin recording] We are here to govern in the best interests of the Chilean people, as the president of the nation has said, excluding no one, putting the government in no specific political slot, but keeping the doors open to gather all opinions, even well-intended criticism. We are not only ready to take them into account, but even to be grateful for them. [end recording]

The interior minister answered all questions posed by the journalists: [Begin recording] [Question] Mr Minister, thus far we have been talking about the political aspect. As far as the social aspect is concerned, will the ministry maintain its current policy?

[Answer] Social matters are closely tied to the economic status of the country, and an extraordinary effort is being made to increase job opportunities through public works projects, housing developments, and municipal development projects. We will also study several other mechanisms aimed at encouraging enterprises to hire more workers and employees to carry out their activities. I would say that this is the most important, the top priority target for government action. The details are in the hands of the finance minister, and I am sure that if you ask him for a meeting, he will be more than pleased to hold one. [end recording]

The interior minister added that the municipalities are of the utmost importance, that is, they are considered the basis for the nation's social and administrative organization. He said that the munciipalities have been given the significance which they gradually lost in the past, meaning that the persons in charge of the municipalities and the roles they play are very important. He added that those who are doing their jobs properly, fulfilling the objectives set forth for them, and interpreting the desires and resolving the problems of their people will retain their positions. Those who fail to carry out their duties along these guidelines will be replaced.

Sergio Onofre Jarpa also talked about the relations with Buenos Aires and the mediation process: [Begin recording] These relations are normal. As you know, (?my ministry) does not participate in matters related to the mediation. That is something which is being handled by Mr Videla, with whom you can discuss the matter.

I feel that we have made considerable progress in our relations with Argentina in the sense that we have gained mutual understanding of the common interests involved in developing a plan for political, economic, and geopolitical integration, coopeation, and in defending common interests in the Antarctic. On the latter issue, we have consistently been in agreement with Argentina, and the same has been true with regard to other important issues at international forums. Therefore, I view the status of our relations favorably, and I am certain that the problem concerning the south will be resolved soon and in a manner mutually satisfactory to both parties. [end recording]

Among other things, the minister said that the role of the church is very important. He said that the church can do a great deal to further cooperation among the various sectors, naturally through a spiritual and religious approach. I believe, however, Sergio Onofre Jarpa said, that we all need more spirituality and religion in order to face world problems from a more charitable and broadminded perspective.

LABOR, POLITICAL LEADERS VIEW CABINET RESHUFFLE

PY111817 Madrid EFE in Spanish 1522 GMT 11 Aug 83

[Text] Santiago, 11 Aug (EFE) -- Labor and political leaders today reacted either optimistically, cautiously, or critically to the new cabinet which General Augusto Pinochet has assembled.

Last night's cabinet reshuffle, the 33d in the 10-year history of the military regime, placed former Chilean Ambassador to Argentina Sergio Onofre Jarpa at the head of the cabinet. Sergio Onofre Jarpa was senator for Santiago and president of the rightwing National Party in 1968.

Rafael Cumsille, chairman of the Chilean Retail Merchants Association, indicated that he hoped Jarpa's appointment as the head of the cabinet "will imply a true opening toward all national sectors."

Javier Leturia, well-known leader of the rightwing "labor" sector, said that recent appointments mark "the beginning of a new period and clearly show that the government is capable of adjusting to new developments. The success of the new cabinet depends on how it will be used politically."

Adolfo Ballas, former deputy for the National Party, said that the reshuffle "was the right decision because it means bringing into the government civilians who want to effect transition through political laws."

Luis Cordero, former Interior Ministry adviser, feels that the fact that several ministries have been taken away from the military "is a very significant step toward an opening."

Despite the fact that most members of the opposition would rather make no comment on the reshuffle, a few did agree to give their initial impressions. Rene Abeliuk, a Social Democrat and a lawyer, expressed surprise at the fact that "the government is resorting to politicians about whom it has always spoken in a derogatory manner."

Abeliuk believes this means that "in times as critical as these, the government seeks the help of people who have political experience, thus acknowledging that the smear campaign directed at the politicians was groundless."

According to this Social Democratic lawyer, before passing judgment about the new cabinet, one must first learn more about its position toward such subjects aa exile, a political opening, the state of emergency, and political parties.

Eduardo Arriagada, chairman of the Engineers Association, says the new cabinet "raises some hope in the field of politics, but none whatsoever as far as the econmy is concerned."

According to Arriagada, who is an outstanding member of the Christian Democratic Party and closely connected with former Foreign Minister Gabriel Valdes, "the political leadership, in Jarpa's hands, will establish proper dialogue with the other political forces, but the opening which may result from this will depend on the elbow room which the new interior minister will be given."

Arriagada is dissatisfied with the appointment of Andres Passicot as the new economy minister because he "has been preaching about the goodness of the monetarist system." He also disagreed with the appointment of Hernan Bucci as minister director of the National Planning Office, because "he has been responsible for applying monetarist ideas to the field of health, with results well known to all."

Arriagada concluded by saying that the fact that Carlos Caceres has been retained as finance minister is a "step backward."

PRESIDENT HURTADO'S STATE OF NATION ADDRESS

PA111256 Quito Domestic Service in Spanish 2351 GMT 10 Aug 83

[State of the nation speech delivered by Ecuadorean President Oswaldo Hurtado Larrea at the National Chamber of Representatives in Quito -- live]

[Excerpts] The deterioration of our national economy has continued this year due to the impact of two uncontrollable factors. First, nature has unleashed its fury on our country, punishing us with the most severe winter in memory.

The second factor that has worsened the country's economic woes and neutralized our efforts has been the increase of the cumulative effects of the international economic crisis. I wish to note only one unquestionable fact: Since the middle of the last decade, Ecuador's economy -- both public and private -- turned the borrowing of dollars abraod into its basic source of financing for its activities. In fact, between 1979 and 1981, the country received annual net disbursements of between $700-$800 million. In contrast, from August 1982 to the present -- that is, for a 1-year period -- it has not received a single cent from international banks save for $50 million from international organizations.

The consequences of this drastic decline in foreign financing have been manifested in a reduction in monetary reserves, our persistent fiscal deficit, and the lack of foreign exchange to pay for imports necessary for our national development.

The effects of the suspesnion of foreign credits and the floods have been extremely costly to the private sector and certainly to the state. Thus, economic results for 1983 are expected to be lower than those attained in 1982, during which the gross national product [GNP] grew by 2 percent. The Central Bank's estimates reflect the following:

For the first time in many years, the growth of the GNP will be negative; it will drop to 0.4 percent. This is because, except for oil, there has been a decline in all economic activities, particularly agriculture, fishing, and construction.

Therefore, we must update the stabilization program drafted by the Monetary Board, whose recommendations have gradually and slowly been implemented as measures since October 1982. They are intended to correct the structural deficiencies of the Ecuadorean economy dating from the past decade and to respond to the situation deriving from the international crisis.

To the extent possible, effort have been made to substitute external savings -- on which Ecuador's recent development was based -- with internal savings, on one hand, and to encourage production activities, particularly those geared toward the domestic supply of essential items and export, on the other.

On 25 June, the IMF agreed to grant Ecuador a contingency loan of $175 million. To date, Ecuador has obtained approval for the first two disbursements of this credit totalling $84 million. The adjustment measures that have been adopted have produced important positive results in the economy's external sector. During the first semester, our trade reflected a positive balance of $496 million, which represents more than twice the amount of previous years. This has been possible because of a 42 percent drop in imports. [Words indistinct] exports have grown 5 percent despite the continuing depression on the world market and the drop in banana, cocoa, and fishery exports due to losses caused by the floods.

The balance of services reflects a deficit that, even though it totals $483 million, is less than that of previous years. This means that for the first time since 1974, we have a surplus in the current account of the balance of payments, which, albeit modest, nevertheless totals $13 million. The deficit in the capital balance of only $18 million is due to the fact that no payments have been made on loans from the international banks in view of the renegotiation of the debt.

Consequently, our balance of payments reflects a deficit that has been covered through a reduction in the monetary reserves of $48 million, which represents half of the amount provided for in the stabilization program.

The Central Bank's delay in paying reimbursements for imports coninues. It will be gradually corrected with the income from the standby credit and the $431 million credit from the international banks.

The package of fiscal measures that has been adopted -- including the effects caused by the devaluations -- has meant an additional net income for the public sector of 19.16 billion sucres, because it must be borne in mind that the ban on imports represented a loss to the Treasury of 4.5 billion sucres in tariff revenues, and even though the income generated by the devaluation is larger, when one subtracts the correlative increase in payments on the foreign debt, one arrives at a net favorable balance of only 2.597 billion sucres.

The 1982 budget [words indistinct]. The moderate growth in the budget that had been achieved in 1982 has been maintained in 1983 because it increased only 17 percent. However, it turns out to be negative if one bears in mind that inflation has been three times that amount. The estimated deficit for this fiscal year has been estimated at 19 billion, which is less than that of last year in terms of percentages.

Given these problems, the government has set two emergency program into motion. One involves a recovery in production and the other in supply. The first includes the provision of capital to the Natioanl Development Bank [Banco Nacional de Desarrollo] in the amount of 2.6 billion sucres, which represents 80 percent of the capital that it had [word indistinct]. To this will shortly be added 2.2 billion sucres from an IDB loan. In addition, means will be established for farmers to obtain loans. The irrigation infrastructure that was destroyed, particularly that for export crops, will also be restored.

The supply program involves three areas of action: credit, supply of raw materials, and technical assistance, so that we can increase the supply of foodstuffs. Within its routine work, the Agriculture Ministry has reforested 8,000 hectares; intensified the mechanization program; controlled the advance of rust; expanded the provision of services by [word indistinct] ENPROVIT [National Enterprise for Vital Products]; begun operation of six silos for the coastal network and of a plant for drying, storing, and shelling rice within the Babahoyo project at a cost of 500 million sucres; and has continued the construction of the Daule-Peripa Dam on schedule -- the last two projects were carried out through the CDE [not further identified].

I have just submitted the agrarian code bill to the Natioanl Chamber of Representatives. This is the most important and momentous piece of legal work ever done by the government, because it replaces 200 laws and regulations that are currently in effect that represent a legal cobweb that poses all manner obstacles to the actions of agricultural institutions.

The oil and mining sector decreased by 4 percent in 1982. It is expected to grow by 8 percent this year because of the increase in oil production, thanks to the addition of new fields and wells in the northeastern region. We produced 19,600 additional barrels in 1982 and 7,500 additional barrels in 1983, to which will be added 15,000 barrels by the end of this year. This is the first time that our oil production has increased since 1972.

It is risky to make any predictions about the future of the economy in view of what I have said. Every estimate is always subject to a margin of error. There are, however, some signs that bode well for Ecuador's economic future: There are the conclusion of the refinancing of our foreign debt and the provision of credits by international banks; the government's implementation of a stabilization program to readjust and reactivate the economy; the interest shown by the most important oil companies in the world in participating in the bid offered by the state for oil exploration; the culmination of the Paute hydroelectric project, which will permit fuel savings; the important advances in other equally important projects; the introduction of new fields in oil production; the development of bioaquatic products like shrimp for export; and the incipent emergence of new export items; the replacement of foreign public housing financing with national savings, due to the establishment of new duties and taxes in line with sound Treasury policy, which has prevented a paralysis of important development programs; the increase in private savings, which has allowed many firms to overcome their crises; the improvement in the balance of payments; the appreciable positive balance that has been achieved in trade balance; and the definite possibility of an increase in agricultural and livestock production, thanks to the encouragement resulting from better prices and the availability of credit.

To this must be added the growing awareness among all sectors of the need for austerity and for hard work as indispenable elements in improving the economy and overcoming the crisis. In fact, the state has decided to be moderate in its spending and to prudently administer budgets. Firms and banks are now more cautious about the use of financial resources and about undertaking new ventures. Consumers are avoiding unnecessary expenses and are handling family budgets with a better sense of priority and savings. In a nutshell, both the public and private sector are now more rational in their economic endeavors.

The crisis and the scarcity of resources in the economy and the public sector have not led the government to foresake its progressive social policy. Therefore, regarding salaries, it has made efforts to prevent a drop in the purchasing power of salaries due to inflation. In fact, the increase in the overall minimum wage and in the compensation that was provided in November 1982 represents a 30 percent increase in workers salaries, and the increase in July of 1983 represents an additional 22 percent, not including the supplementary earnings of workers.

The governmemt has denounced the territorial controversy that exists between Ecuador and Peru in visits that I have made to various countries in the hemisphere, as well as at the United Nations, at the OAS, at the Nonaligned Movement and at the [word indistinct], where formal concern about this issue was expressed.

Ecuador has followed the initiation and consolidation of various democratic processes with the utmost interest, and has expressed its concern when either public freedom or human rights have been undermined. Some of the visits that I have made to other countries fall within this context, particularly my attendance of the inaugural ceremonies in both Colombia and Bolivia.

On several occasions, the government has expressed its concern over the Central American crisis originated by the authoritarian and exploitative regimes that have for so long ruled the countries in that area and today which has been transformed into a battefield on which thousands of Latin Americans have already died.

Ecuador has endorsed the Contadora Group's action to promote peace, convinced as it is that it can find solutions that would prevent a conflict, which might in turn unleash a war that would endanger peace throughout the hemisphere. However, in order for such a generous initiative to succeed cooperation from involved parties is essential. To this end, intervention by the large powers -- which are intent on resolving the East-West conflict -- must cease, and the Central American people's will must be expressed through free elections. Weapons have spoken for too long in Central America; the time has come to listen to the voices of its people.

It is a certainty that the economic crisis that currently affects Latin America is equally affecting all countries of the area, regardless of their ideological orientation, political system, economic mode, the abundance of their resources, the solvency of their technical-administrative services, or the qualifications of their leaders. The certainty that this economic crisis will hardly be resolved by each country without suitable international cooperation led me to address a letter on 11 February 1983 to both the ECLA and the SELA asking them to prepare a set of proposals that would make it possible to draft an action program for Latin America and the Caribbean. The Ecuadorean initiative was accepted by the two regional organizations and endorsed by all countries of the region. Therefore, on 16 May, with the representatives of the heads of state meeting in Quito, I received the document "Foundations for a Latin American Response to the International Economic Crisis," formulated by the ECLA and SELA secretaries. To analyze their proposals, the presidential delegates decided to hold a second meeting in Santo Domingo, which has just concluded with auspicious results, as an economic conference has been called in Quito.

Our trips and our participation in various international forums have helped to expand Ecuador's international horizons and have contributed to the reaffirmation of admiration and respect for our country and its democratic institutions. [applause] Such was the case with my trips to Colombia and Bolivia for reasons mentioned above; my recent visit to Venezuela to attend the celebrations marking the bicentennial of the liberator's birth; my recent visit to the Dominican Republic; and my visit to the United States. While in the United States, I also visited the United Nations and was received by the Latin American group at a meeting that was also attended by the presidents of the Asian, African, and Group of 77 countries. In Washington, I visited the OAS Permanent Council. At these organizations, I explained the problems affecting Ecuador and the rest of the continent. Similarly positive were my talks in Washington with President Reagan, at his courteous invitation.

As I said a few days after becoming president, Ecuador's foreign policy has been both sovereign and independent, free of any foreign influence. Consequently, at the third Nonaligned Movement summit, my government discussed the imperative need for that movement to return to the fundamental principles and original purposes that inspired its constitution. My government also voiced its opposition to the division of the world into antagonistic blocs and to the grouping of the Third World countries around the big powers.

I am confident that the declaration signed in Caracas on the occasion of the bicentennial of Simon Bolivar's birth, which was entitled "For Us, the Homeland Is America," will ultimately solve the problems that have checked the progress of the Andean integration process. In effect, the countries that signed the Cartagena Agreement pledged in this document to maintain preferential treatment for Ecuador, to revive the industrialization strategy, to avoid new commercial restrictions on our trade and eliminate those that now exist, and to give the process new dynamism by renewing its goals, modernizing its action programs, and improving its methods of operation.

In order to ensure realization of our incipient democracy's permanent interests, and inspired by the loftiest patriotic spirit, without the slightest personal interest, I have presented a bill on constitutional amendments to the National Chamber of Representatives with the specific provision that if approved, it would take effect on 10 August 1984 when the new president is sworn in.

The plan presented by the executive branch does not involve a reduction of basic guarantees of public liberties and human rights or a limitation of the Legislative Assembly's supervisory function. Based on my many years' experience as vice president and president, I sought, through these amendments, to give the executive branch more responsibilities as concerns the national economy. There were many reasons for this proposal. Most modern democracies seek the strengthening of presidential authority. There is an obvious correlation between a strong executive branch and a stable democracy. The increasingly complex issues, primarily in the economic sector, require that the president have the necessary authority to deal with them.

Unfortunately, some of these proposals have not been approved by Congress, particularly those that sought increased executive branch participation in our economic affairs, and especially in the curtailment of public expenditures. In addition, the legislative branch has reviewed another bill on amendments that was prepared by the chamber's Constitutional Affairs Commission. Once the special period of meetings ended, this bill was submitted to the executive branch. In accordance with Article 143 of the Constitution, I will issue a ruling on the bill's contents at an opportune time.

The country's serious economic and social problems have put our democratic institutions to the test, particularly during the conflicts of October 1982 and March 1983, when the government was compelled to make dramatic economic decisions. However, thanks to the government's cautious political action, its attention to the people's just needs, the responsible maturity of the Legislative Assembly's members, the democratic pledge of the Armed Forces, and the virtues of the Ecuadorean people, it has been possible to maintain constitutional order and to overcome these grave dangers while consolidating order.

The electoral campaign that is now getting underway will have all the necessary guarantees so that it can culminate in the holding of elections scheduled for next year. The government has sent a draft bill to the legislature transferring the responsibility of drafting the voter lists to the Electoral Tribunal to ensure that a document so vital to the free expression of the people's will does not fall under the control of the executive branch.

The government has also agreed to cancel the vote of those Ecuadoreans who live abroad because of the expressed implication that such votes could be manipulated.

As requested by the Supreme Electoral Tribunal, I will soon issue a document regulating electoral campaigns so as to reduce the influence of economic power on the voters' decision. If there is one point of recognition I seek as president of the republic, that is my scrupulous respect for electoral freedom. Therefore, I will turn power over to the winner of the elections as proclaimed by the Electoral Tribunal, whoever he may be.

Despite social conflicts and our serious economic problems, the government has maintained social peace and has guaranteed the peoples' security. We know that there have been sporadic outbreaks of violence, but these have been neither more numerous nor more grave than those of the past.

I have not yielded authority to anyone, and I will not do so. Everyone knows that when I assumed the presidency of the republic, my party relieved me of party discipline. The decisions that I have made are exclusively and absolutely my own responsibility, and do not bind the People's Democracy Party. [applause]

The fact that the extreme rightists have been my most severe critics is the best evidence that the government does not serve antinational or antipopular interests.

The year covered by this report has been one of the most critical and adverse in our history. It would be very difficult to find another era so replete with serious and critical problems. Nevertheless, the government has had the courage to meet its responsibility and to make the necessary decisions. In this way, we have maintained social peace and public order.

In the economic sector, thanks to the gradual and cautious application of measures, and despite the neoliberals who care so little about the people's needs, [applause] we are overcoming the crisis with the least possible social cost. For this reason, the suffering of the Ecuadorean people is not severe as that of other nations.

I may have made some mistakes. This is a risk any active person takes when facing challenge and adversity. I am aware of the price that the government and the president of the republic had to pay, but to those who are in politics not because of vanity, ambition, or shameful interests, but because of their deep commitment to serving the people, it is important to have worked honestly for the benefit of the country and the people. [applause]

There are still major problems to be resolved, many efforts to be made and serious sacrifices to endure, but you can be sure that we will move forward. Thank God we have extensive economic resources and a great people with the required strength and vigor to overcome the difficulties and to begin a new era of progress and welfare.

FOREIGN MINISTER ON TERRITORIAL ISSUE WITH PERU

PA102325 Quito Voz de los Andes in Spanish 1130 GMT 10 Aug 83

[Text] Ecuador has presented, both in bilateral talks and in all appropriate international forums, the territorial issue with Peru within the framework of defense of the republic's territorial integrity, which is the responsibility of the Foreign Ministry.

Ecuadorean Foreign Minister Luis Valencia Rodriguez, in his report to the nation, said that he has made known to the governments of the American continent and the world the grounds for the Ecuadorean stance in this matter. Minister Valencia remarked: I can assert without question that important steps have been taken to create, at the international level, a clear awareness of the justice of the Ecuadorean cause and the need to resolve this problem through peaceful means within the framework of international law while safeguarding the national dignity and honor.

BRIEFS

CONSTITUTIONAL LAW DELEGATES -- The Constitutional Guarantees Court has appointed Carlos Benalcazar, Juan Andrango, and Roberto Moncayo delegates to the First World Congress of Constitutional Law to be held in Belgrade, Yugoslavia, from 29 August to 22 September. The event is sponsored by the International Association of Cosntitutional Law. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 10 Aug 83 PA]

FOREIGN INVESTMENT FIGURES -- According to the Ecuadorean Ministry of Industries, Commerce, and Integration, foreign investments authorized between August 1982 and May 1983 amounted to 2.7 billion sucres. Direct foreign investments amounted to 1.7 billion sucres. Foreigners residing in Ecuador have invested 166 million sucres, while subregional investments amounted to 266 million sucres. In addition, corporate investments amounted to 94 million sucres. [Summary] [Quito Voz de los Andes in Spanish 1140 GMT 10 Aug 83 PA]

NEW AMBASSADORS -- Quito, 4 Aug (AFP) -- Hernan Guarderas Iturralde has been appointed Ecuadorean ambassador to Belgium, replacing Jose Ayala, who has been appointed ambassador to Peru. [Summary] [Paris AFP in Spanish 1618 GMT 4 Aug 83 PA]

PUBLIC INFORMATION SECRETARY -- Ramiro Rivera Molina has assumed office as the new secretary of public information. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 9 Aug 83 PA]

MORE POLITICAL PRISONERS JOIN HUNGER STRIKE

PY111352 Asuncion ABC COLOR in Spanish 11 Aug 83 p 13

[Excerpts] Yesterday another group of 16 prisoners decided to join the hunger strike initiated on Sunday by a group of persons accused of allegedly violating Law 209. They are also demanding their immediate freedom and that of their prison inmates along with the abolition of all repressive laws. There are 33 persons in all now on hunger strikes in different prisons. The persons who joined the hunger strike are: Antonio Gonzalez Arce, Roque Ruiz Diaz, Alfredo Gonzalez, Jose C. Escobar, Albertano Benitez, Vicente Amarilla, Emilio Asterio Lugo, Sever Jimenez, Jose Jimenez, Martin Jimenez, Ignacio Lopez Jara, Jacinto Mendoza, and Eduardo Ojeda.

AGRICULTURE LOSSES ESTIMATED AT $82 MILLION

PY112050 Asuncion HOY in Spanish 6 Aug 83 p 11

[Text] According to sources of the Agriculture and Livestock Ministry, the initial estimate of the losses that floods and the long rainy season inflicted on agriculture and cattle raising could amount to $82 million. This initial estimate will be made official in a report which the National Commission for Economic Reactivation will submit to the highest level of national government which will relay it to the World Bank. However, this initial estimate will encompass only the two main productive sectors of the nation, agriculture and cattle raising, without taking into account the negative effects that the acts of God have had on other activities, such as industry and commerce.

It is worth pointing out that the evaluation of damages inflicted by the acts of God is being prepared by an interinstitutional commission made up by representatives of the Agriculture and Livestock, Industries and Commerce, and Finance Ministries, as well as of the Paraguayan Central Bank, the National Development Bank, and other national authorities. It has been emphasized that this report is being prepared in response to the World Bank's interest in gaining in-depth knowledge of the negative economic consequences of the flooding of vast agricultural and cattle-raising areas, in order to study the possibility of granting a special line of credit designed to reactivate the most severely damaged sectors. In this regard it is felt that the agricultural sector has been affected most in view of the fact that several cash crops such as soybeans, rice, and sugar have experienced a considerable decline.

FOREIGN MISSIONS EXPECTED FOR INAUGURATION

PY112358 Asuncion ULTIMA HORA in Spanish 11 Aug 83 p 13

[Excerpts] A government mission of the Republic of China headed by National Defense Minister Sung Chang-chih arrived in Paraguay this morning at the invitation of the Paraguayan head of state. The mission will participate in the presidential inauguration ceremony and in the festivities marking the anniversary of the founding of the city of Asuncion. Government House has also reported the arrival of other special missions from friendly countries to participate in the official ceremonies that will be held over the next few days. It was reported that representatives from Argentina, Brazil, Peru, Israel Switzerland, Egypt, South Africa, the Netherlands, Thailand, Turkey, Greece, Japan, Korea, Honduras, and the Inter-American Defense Board will arrive in Paraguay. It was also reported that the U.S. Government has entrusted its special mission to Ambassador Arthur H. Davis, head of the U.S. diplomatic mission in Paraguay.

DOCTORS, TEACHERS STRIKE, BEGIN FAST

PY111422 Madrid EFE in Spanish 0032 GMT 11 Aug 83

[Text] Lima, 10 Aug (EFE) -- Between 10,000 and 14,000 physicians were on strike today throughout Peru in support of their colleagues who work with the social security system and who are demanding overtime pay. The social security system in Peru is experiencing an economic crisis as a result of, among other things, the lack of payment of mandatory dues. The government is one of its most important debtors.

At San Marcos University in Lima today about 20 persons -- teachers and workers -- started a fast to force the government to make a decision on some demands they made over a year ago. Their demands include better salaries for state university workers -- there are 25 state-run universities in the country -- reinstatement of fired workers, and more funds for research. Teachers, students, and workers at state-run universities grouped in a so-called "Peruvian University Struggle Commando" are participating in this fast. For its part, Cesar Barrera, secretary general of the Sole Trade Union of Education Workers (SUTEP), a leftist, leaning union which has not been recognized by the government, announced a 48-hour strike for September. SUTEP has given assurances that the great majority of the 160,000 public school teachers belong to the organization, and it asks the government to answer their demands since it alleges that the Education Ministry has not paid any attention to them.

HAVANA REPORTS ARREST OF SHINING PATH LEADERS

PA112116 Havana International Service in Spanish 1600 GMT 11 Aug 83

[Text] Peruvian military authorities claim to have dismantled a regional Shining Path committee by arresting 27 alleged Shining Path leaders who are charged with the death of 9 persons and responsibility for over 20 attacks in various parts of the Peruvian central Andean sector. Local press reports claim, however, that the weapons exhibited by the police as having been confiscated from the prisoners, including guns and rifles, are actually toy pistols and useless carbines. The police also admitted having arrested Labor Ministry official (Gema Jesus Reynoso) for subversive activities, the bishop of Sicuani, Monsignor (Albano King); and the parish priest of Espinar, in the southern Andean sector of Cuzco, whose name was not revealed. Catholic missionaries of Espinar were also charged.

POLICE TO BE SENT ABROAD FOR ANTITERRORIST TRAINING

PY111532 Lima EL COMERCIO in Spanish 5 Aug 83 p A-4

[Excerpts] For the moment, no foreigner will come to the country to provide advisory assistance for the eradication of terrorism. However, the government will send several members of the three police forces abroad to remove training in the struggle against terrorism. This report was released yesterday by Interior Minister Luis Percovich Roca following a ceremony during which several persons were decorated by the Peruvian Republican Guards. He added that the policemen will be sent for training to countries "that may offer us support and scholarships, because this type of aid is generally voluntary, as has been the case with other types of training granted to Peruvian troops."

In answer to a question on the petition presented by an organization of radio workers, the minister stated that an investigation will be conducted to determine whether some foreigner is working in a radio broadcasting station without the appropriate license or authorization. He added: "This is a measure adopted not only here in Peru but everywhere in the world as a logical, preventive, and vigilant action for the good of the country's security."

PLAN FOR REFINANCING EXTERNAL DEBT DISCUSSED

PA110035 Mexico City EXCELSIOR in Spanish 8 Aug 83 pp 1, 11

[Article by EXCELSIOR correspondent Raymundo Riva Palacio]

[Text] Paris, 7 Aug -- The Mexican Government, as part of its international financial negotiations, has proposed to commercial banks a refinancing plan for the external debt of official institutions, committing itself to pay $20 billion over a period of 8 years, beginning in 1987.

At a meeting with a group of commercial bank representatives, Mexico asked for a postponement of payment of the debt "which should be covered in the next 18 months," according to banking sources.

The external debt of 28 official organizations amounts to $20 billion, and the credit commitments stipulate that this amount should be paid between 22 August 1983 and 31 December 1984. A source said that the official institutions include PEMEX (Mexican Petroleum) and the National Finance Agency (Nacional Financiera), but it was not possible to obtain an independent confirmation.

In light of the Mexican financial crisis which erupted a year ago, the government began refinancing its external debt on various fronts, and with the IMF declaration that the government has effectively applied the austerity and economic corrections program it imposed on itself, the commercial banks have thus far accepted the government's proposal.

Mexico has already succeeded in refinancing its public and private external debt, with only negotiations on a few small-scale items still pending.

Banking sources indicated that Mexico recently notified its commercial credit banks of a refinancing plan covering an 8-year period, beginning in 1987.

According to the sources, the interest rate will be 1 percent above the London interbanking rate, which serves as basis for estimating international interest percentages The current free rate is 10 and 5/8 percent. Thus, the refinancing of the debt could cost some $2.3 billion -- at the current value -- additionally per year.

Although no information has been released on whether the banks have accepted the proposal, the sources indicated that the acceptance of the plan has almost certainly been agreed upon.

BRIEFS

IMPORT, EXPORT FIGURES -- According to the Bank of Mexico, the country continued to depend strongly on oil exports and agricultural product imports between January and April 1983. Grain purchases comprised the bulk of imports. Mexico enjoyed a surplus of $4,897,165,000 in its trade balance, mainly because of a drastic decrease (65.2 percent) in imports of clothing, manufactured goods, cattle, and food products. On the other hand, exports increased by only 11.7 percent. In addition to oil, the iron and steel industry provided a main source of exports. [Summary] [Mexico City NOVEDADES in Spanish 8 Aug 83 p 1 PA]

DE LA ESPRIELLA ON GUATEMALA, CABINET CHANGES

PA102012 Panama City Televisora Nacional in Spanish 1730 GMT 10 Aug 83

[Report on interview with Panamanian President Ricardo de la Espriella in Panama City on 10 August]

[Excerpt] [Begin recording] [Unidentified reporter] The new Guatemalan head of state has reportedly voiced his opposition to the Contadora Group initiative. What comments would you like to make on this?

[De la Espriella] We cannot impose our criteria on anyone. The Contadora Group has voiced its support of the achievement of a peaceful solution in the area through dialogue and political understanding. However, we certainly cannot impose our criteria on any country or government. All we can [words indistinct] personally [word indistinct] his opposition to a solution through peaceful means. [end recording]

[Announcer] Asked about possible cabinet changes, the president responded:

[Begin recording] [De la Espriella] What changes are your referring to?

[Reporter] Cabinet changes.

[De la Espriella] Perhaps you should tell me, because I do not know of any cabinet changes at the moment.

[Reporter] There are not going to be any changes after the first year of your administration?

[De la Espriella] Why? Do you think some of them are not doing their jobs well?

[Reporter] Does that mean that they are all doing their jobs well, Mr President?

[De la Espriella] I believe that the government has been working well. At least we are doing our best to ensure that it works well, despite budget limitations and the current political climate. [end recording]

GENERAL PAREDES DECORATED BY DE LA ESPRIELLA

PA110452 [Editorial Report] Panama City Domestic Service in Spanish at 0030 GMT on 10 August 83 relayed a ceremony held in the Sarati Room of the Atlapa Convention Center during which Panamanian President Ricardo de la Espriella decorated General Ruben Dario Paredes with the Order of Belisario Porras.

At 0049 GMT the announcer said that President de la Espriella and his wife, accompanied by General Paredes and his wife, arrived at the Sarati Room.

The ceremony began with the reading of the official decree by which General Paredes was awarded the Order of Belisario Porras. According to the decree, General Paredes earned the decoration through 26 years of service to the country, during which he made significant contributions toward the strengthening of the military institution and the integral development of the country. President de la Espriella greeted everyone present and praised General Paredes' role as National Guard commanders in chief and as a Panamanian military man, a man who has dedicated his life, his training, and his efforts to the search for peace and understanding among Panamanians." Amid applause, General Paredes received the Order of Belisario Porras from President de la Espriella, and thanked him, and through him the people of Panama, for having honored him with this decoration, which he accepted "overwhelmed by undeserved honors." General Paredes concluded his speech by saying that "we, the Panamanians, can coexist and advance with the homeland in our hearts, without passions leading us to hatred and bloodshed."

A toast followed General Paredes' words. The live relay ended at 0110 GMT.

NORIEGA SCORED FOR 'PANAMANIZATION OF POLITICS'

PA111827 Panama City LA PRENSA in Spanish 11 Aug 83 p 12A

["The Panamanization of Politics," taken from a bulletin released by the Nicaraguan Democratic Revolution Alliance (ARDE) -- no date of ARDE publication given]

[Text] A report by well-known journalist Carlos Alberto Montaner was disseminated a few days ago. In it, he discussed many topics of interest to Latin America. Of special interest among these, however, was what he accurately described as the Panamanization of politics.

What is that, we might ask. His own answer: English historian Hutch Thomas coined the term "Finlandization" to define the regrettable international conduct of those countries subject to Soviet military blackmail. Finland may have a capitalist economy and a democratic political system, but it cannot participate in the EEC; it does not dare to openly criticize Soviet policy or methods; and it is certainly not allowed to add its defense capabilities to those of NATO.

Panamanization is the Latin American version of Finlandization. For some time, Panamas' General Noriega has privately -- and sometimes "openly" -- accepted Cuban-Soviet-Nicaraguan interference in Panama's domestic affairs, trampling upon its sovereignty in the process. He is familiar with the ominous nature of the political change that has been wrought in Nicaragua, with the negative consequences that a possible victory by the Salvadoran guerrillas would have for Central America and Panama, and with the communists' efforts to destabilize Costa Rica and the rest of Central America, yet Noriega's statements at international forums and his policy regarding relations with the rest of the hemisphere are evidence of the veritable bridge of subversion that exists among the Cubans, Nicaraguans, and Soviets, on one hand, and the guerrillas currently destroying all of Latin America, on the other.

Thanks to this policy, activists from these three countries move about freely in Panama, with the complicity of the National Guard.

It is true that General Paredes, as commander of the National Guard, was always concerned with holding the National Guard's honor very high, as all honest Panamanians desire. But what will happen now that Paredes is leaving the National Guard? We have doubts as to what Gen Noriega's behavior toward Panama and Latin America will be. Noriega has elicited much criticism, as well as many comments, from the leading class, the workers, and the people in general, who have never seen him engage in social action. Instead, they have always seen him in the company of big businessmen and involved with organizations that, unfortunately, have had only "dishonesty" as their banner.

Again we must denounce Panama's outrageous image abroad. The country is being pointed to as some sort of "procuress" that, taking advantage of the National Guard's position, is willing to sell even its own sovereignty for a few measly dollars. Election time is approaching, and the peoples of America are already wondering what factors underlie this election. Will it be a new demonstration of corruption or, on the contrary, is there a real desire to let the people participate in shaping their own destiny? Those who struggle for liberation and those who want a noble Panama must continue to demand greater honesty in public administration.

We call on Gen Noriega to realize that he has already made too much money at the expense of the Panamanian people. If he cannot tell the people how he acquired his vast fortune by serving in the G-2, he should at least advocate and sponsor electoral purity.

Gen Paredes will carry on his conscience both the sin and the outrage of not having had the courage and the loyalty to Panama to remove from the National Guard Directorate this most dishonest of officials, who has blackmailed the entire political organization, the government, and even the National Guard.

LA PRENSA REPORTS FINDINGS ON COMPANY SUBSIDY

PA112129 Panama City LA PRENSA in Spanish 11 Aug 83 p 1A

[Article by Jose Quintero de Leon]

[Excerpt] Although LA PRENSA's journalists have found it impossible to interview the comptroller general, the Planning Ministry's National Budget Office director, or the Finance and Treasury Ministry's legal adviser, it has been established through an official document that the state has been subsidizing the Renovacion Publishing Company, Inc., despite the fact that this publishing company is a business.

On pages 186A and 197A -- in the Annex section -- of the report by the nation's comptroller general to the National Assembly of Corregimiento Representatives on 11 October 1982, under the heading Consolidated Statement of the Central Government's Budget Allocation to 31 December 1981, are Nos 270,040,010,642 and 270,420,000,643, representing two allocations to the Renovacion Publishing Company, Inc., under a program for public enterprises.

The first allocation is a 554,350.48-balboa annual budget for the publishing company. The second one increases to 779,928.89 balboas -- a total of 1,334,279.37 balboas, which is the amount reported by this daily on Monday, the 9th [date as published]. The amounts were reported by Mario Martinez Puente, secretary general of the Trade Union of Panamanian Journalists.

According to experts on this subject, neither the fiscal code nor any other Panamanian law authorizes the state to use funds to run an enterprise registered as a business partnership without a law being passed and made public.

COSTA RICA

INVITATION TO VISIT AIRCRAFT CARRIER TURNED DOWN

PA112019 San Jose Radio Reloj in Spanish 1200 GMT 11 Aug 83

[Text] A U.S. Government invitation for a high-level Costa Rican delegate to visit the aircraft carrier Ranger, which is in international waters to stage military maneuvers off Honduras, has been turned down. President Monge confirmed this yesterday, adding that our country maintains a neutral stand toward all military maneuvers and that we are not going to visit any military base. The president said: We have explained to the United States that while Costa Rica will tenaciously defend democracy in any ideological confrontation, it will have nothing to do with anything connected with war or the military sphere. President Monge reasserted that this is why Costa Rica will not be present at any maneuvers carried out on any military base.

If anyone is looking for peace without freedom in Central America, we believe that he is taking the wrong path, because this is not acceptable to the people of Central America, President Luis Alberto Monge said later, while commenting on his meeting yesterday with Senator Pete Wilson, who spent a few hours in this country as part of his tour of several Central American countries.

According to the president, he discussed the Central American situation with the U.S. political leader. He added that a certain degree of detente has been noticeable in the last 3 weeks, a development that should be regarded as an encouraging aspect of the efforts currently being made to secure peace in Central America. According to President Monge, there is a point of accord with the United States on the belief that the concept of peace which we Costa Ricans uphold includes an inseparable element -- freedom -- because we do not believe in peace without freedom.

PEACE COUNCIL CALLS FOR MARCH PROTESTING MANEUVERS

PA110456 Havana International Service in Spanish 1600 GMT 10 Aug 83

[Text] The Costa Rican Peace and Solidarity Council has called for a march on 18 August to repudiate U.S. military maneuvers in Central America. A study made by this organization, composed of prominent intellectuals and politicians, stated that military maneuvers in the region aggravate an already tense situation.

The council called for the opening of a dialogue and expressed the hope that political negotiations will win out over arrogance and military aggression, and stressed that peace efforts in Central America and on this planet are not bound by nationality or ideology.

CONCERN EXPRESSED OVER NICARAGUA'S DEBT

PA111740 San Jose LA REPUBLICA in Spanish 31 Jul 83 p 3

[Text] Despite the agreement reached on renegotiating Nicaragua's debt to Costa Rica, that debt has continued to grow. Less than a month after a settlement for payment was signed by the two countries' central banks, Nicaragua's debt has risen from $103 million to $119 million.

The renegotiated $103 million debt is equivalent to the IMF's financial aid to Costa Rica, granted within the framework of a standby contingency agreement. Costa Rica renegotiated the debt, giving Nicaragua easy terms for payment.

Financial authorities have expressed their concern over the rapid increase in the Nicaraguan debt, as a result of bilateral trade. The primary concern arises from the fact that the Central Bank finances Costa Rica's trade transactions with Nicaragua.

According to the agreement, all debts contracted by Nicaragua on or after 1 July of this year will be paid in cash by Nicaraguan financial authorities. However, this requirement has not been complied with to date. As a result, there is continued concern about the need to find a way of solving the problem without affecting bilateral trade.

EL SALVADOR

FOREIGN MINISTER LEAVES FOR DOMINICAN REPUBLIC

PA111637 San Salvador LA PRENSA GRAFICA in Spanish 10 Aug 83 pp 2, 40

[Text] Before leaving for the Dominican Republic yesterday, Salvadoran Foreign Minister Fidel Chaves Mena announced that the Salvadoran Foreign Ministry has now initiated a more aggressive face-to-face type of diplomacy in an effort to provide a true image of our plans for democratization and of the foreign aggression that El Salvador is enduring.

"During this first visit, we will tell the Dominican Government and people all about the Salvadoran Government's plans for democratization. We will also give them details about the foreign aggression that we are being subjected to. In this way we will promote international understanding and foster political support from democratic regimes like that of the Dominican Republic," Chaves Mena said. He added that we will also seek better overall bilateral relations and more active commercial relations.

Chaves Mena also noted that in the next few months, the Salvadoran Foreign Ministry will undertake a broad exchange of information and of personal contacts with democratic governments in America, Europe, and other parts of the world to explain El Salvador's plans for democratization and the problems of aggression in Central America.

In reference to the Guatemalan coup and the Army's overthrow of President Rios Montt, Chavez Mena said that El Salvador respects the principle of nonintervention and hopes that the Guatemalan Government and people resolve their domestic situation and take the road to complete democratization.

RIGHTS COMMISSION ON ZAMORA-STONE MEETING

PA120327 Havana International Service in Spanish 0000 GMT 12 Aug 83

[Text] The Salvadoran Human Rights Commission has described the meeting between Ruben Zamora, representative of the Salvadoran guerrillas, and U.S. special Ambassador Richard Stone as a tenuous light of hope.

The commission stressed the importance of the meeting which was held in Bogota at the end of July, given the fact that it is the U.S. Government which really determines the course of things in El Salvador. The U.S. Government had formerly rejected any dialogue.

The commission added that Zamora and Stone represent two parties directly involved in the conflict.

These parties should make all possible efforts to achieve a cessation of hostilities and a return to a state where human rights are respected.

In a statement released in San Salvador, the Salvadoran Human Rights Commission called for an end to illegal imprisonment, murders, and disappearances of detained citizens.

TERRORISTS DYNAMITE TRAIN IN TECOLUCA AREA

PA111612 San Salvador EL DIARIO DE HOY in Spanish 10 Aug p 17

["Last Minute National News" column]

[Text] Locomotive No 856 of the Salvadoran National Railway was dynamited yesterday by terrorists. The attack took place at km 163 (of the railway), at the Canas Station, Tecoluca municipality. National guardsmen were escorting the train, which was travelling east, when it was attacked by the subversives. The guards fought back and a struggle lasting 90 minutes ensued. Several subversives were either killed or wounded, while four guards died and others were injured. The guards on the train, which was carrying cement, fertilizers, and other products to the eastern region, were from the Cojutepeque command.

Havana Reports Incident

PA110454 Havana International Service in Spanish 1600 GMT 10 Aug 83

[Text] More than 300 FMLN guerrillas blew up a train carrying troops in San Vicente Department, where heavy fighting has been underway since yesterday. The Salvadoran Army admitted that 5 soldiers who were guarding the train were killed and that another 15 were wounded in the action that took place near Las Galas farm.

Meanwhile, it was reported in San Salvador that the Central Electoral Council has announced that presidential elections will be held in 1984, not late this year as had been previously stated. It was said officially that the postponement was due to the fact that the $3 million offered by the U.S. Government to finance the elections has not yet arrived.

REBELS INFLICT 182 CASUALTIES IN CABANAS

PA120153 San Salvador La Voz Panamericana in Spanish 1900 GMT 11 Aug 83

[Text] Three rebel attacks have been carried out in Cabanas Department in less than 48 hours, leaving 22 government soldiers dead, 4 missing, and at least 156 wounded, according to reports from civilian authorities. The attacks which the rebels launched on such villages as Tejutepeque, El Zapote, and Las Mesas apparently indicate that the rebels have again occupied Cabanas Department.

HEAVY FIGHTING REPORTED IN FIVE DEPARTMENTS

PA112015 Havana International Service in Spanish 1600 GMT 11 Aug 83

[Text] In fighting which has occurred during the last 72 hours, the FMLN's forces in El Salvador have inflicted over 80 casualites on government troops and caused them to lose a large amount of military supplies.

According to SALPRESS, government sources admitted the Army's setbacks, reporting that the heaviest fighting took place in parts of Chalatenango, Cabanas, Morazan, San Vicente, and Usulutan Departments. In Chalatenango alone, according to the sources, the Army lost 25 men, including 2 officers who had recently graduated from U.S. military academies.

GUATEMALA

HAVANA ON MEJIA'S PLANS FOR U.S. BASES

FL111214 Havana Domestic Service in Spanish 1045 GMT 11 Aug 83

[Text] It has been learned that the new Guatemalan regime headed by General Oscar Humberto Mejia, which took power in a coup d'etat on 8 August, has already announced that it will permit two U.S. air bases to be established on its territory. It will also allow a training camp for the Salvadoran military to be set up.

IMPACTO ADVOCATES MAINTENANCE OF NEUTRAL POLICY

PA120240 Paris AFP in Spanish 2241 GMT 11 Aug 83

[Excerpts] Guatemala, 11 Aug (AFP) -- In its 11 August editorial, the Guatemala City newspaper IMPACTO expressed the fear that Guatemala will forsake its policy of neutrality in the regional crisis and align itself with the U.S. stance.

The newspaper's concern grew today when, in statements to the press, the new foreign minister, Fernando Andrade, commented that "Guatemala wants to be a close ally of the United States," and expressed determination to strengthen ties with the U.S. Administration.

In its editorial, IMPACTO commented that the "the open satisfaction of the United States with the Guatemalan coup fanned some fears regarding the future of this country's foreign policy." The paper recalled that "the ousted regime had openly opposed any intervention by our country in the Central American conflict," even when "under direct U.S. pressure."

For the newspaper, "the Central American problem, underestimated by many in our country, must be understood as possibly the most important topic on which the new regime must take a stand." The paper stressed the need for the new government to maintain the former administration's policy of neutrality, saying it was one of Rios Montt's most important achievements. IMPACTO stated that "to put ourselves on the same level as Honduras in the regional problem would mean the end of all traces of independence and dignity that we might still retain as a free nation."

CHURCH OF THE WORD RECOGNIZES NEW GOVERNMENT

PA112251 Guatemala City Radio Television Guatemala in Spanish 0300 GMT 11 Aug 83

[Declaration by the Church of the Word delivered to the press 11 August; date not given -- recorded]

[Excerpts] On 8 August the Guatemalan regime headed by General Jose Efrain Rios Montt was ousted.

Immediately following the change of government, Gen Rios Montt and two of his closest assistants, Francisco Bianchi Castillo and Alvaro Contreras Valladares, who had occupied the posts of secretary of personal affairs and private secretary of the presidency, respectively, left their posts to devote themselves to their personal affairs, just as they did before serving in the former regime.

In view of persistent calls and the presence of national and international newsmen interested in the Church of the Word's position toward this change of government, the Council of Elders has decided to issue this press communique, through which it hopes to present the congregation's stance.

The Church of the Word recognizes the current government as one established by God, just as it considers any other government in any other nation, as stated by the Holy Bible. For this reason, the church accepts the new government.

PARTY SEEKS CREATION OF CIVILIAN-MILITARY JUNTA

PA111536 Paris AFP in Spanish 0347 GMT 11 Aug 83

[Text] Guatemala City, 10 Aug (AFP) -- The Democratic Alliance [Alianza Democratica], a social democratic group, has proposed that the new leaders of this country create a civilian-military government junta, made up of representatives of the private sector, the university, the media, and the Army.

In a statement to AFP, Leopoldo Urrutia, secretary general of this organization, described as "timely" the replacement of Rios Montt by General Oscar Mejia as head of state, which was effected in a coup d'etat staged on 8 August.

In addition, Urrutia said that his group, which he described as center-leftist, supports the elimination of the value added tax, which has resulted in an increase in the cost of living in Guatemala, and advocates a tax reform that would not affect the masses.

The Democratic Alliance also called for a "reorganization" of the government, claiming that changes in the highest positions are not enough, and that changes must be made in the traditional advisory group as well.

Urrutia rejected the idea that the 8 August coup was the result of external factors and noted that Guatemala needs to improve its image abroad. In this context, he said that it is advisable for Guatemala to join the bloc consisting of Costa Rica, El Salvador, and Honduras, but only as long as this group seeks solutions through peaceful means.

He also criticized U.S. military maneuvers in the region, describing them as "unadvisable and intimidating." He expressed his party's support for the Contadora Group, because "it is trying to solve the regional problem through talks and peaceful methods."

The Democratic Alliance -- a recently organized group -- was one of the first political parties to express open support for Monday's coup.

FAR, FP-31 ATTACK MEJIA VICTORES IN COMMUNIQUES

PA110429 Panama City ACAN in Spanish 0010 GMT 11 Aug 83

[Excerpt] San Jose, 10 Aug (ACAN-EFE) -- In a communique sent to ACAN-EFE, Pablo Monsanto, commander of Guatemala's Rebel Armed Forces (FAR), said that the Guatemalan people "will know how to face and defeat the coup maneuver that occurred 2 days ago."

Almost simultaneously, another declaration issued in Guatemala and signed by the 31 January People's Front (FP-31) stated that the new president, Oscar Humberto Mejia Victores, "shares responsibility with his predecessor, Rios Montt, for the violation of human rights." It also blamed Mejia Victores for the "lack of freedom of expression, and the lack of freedom of assembly which Guatemala's popular, democratic, and progressive sectors need."

The members of FP-31 note that "those who have in fact violated the apparent legal situation that existed in Guatemala with coups...and have exiled or killed the country's social democratic, social Christian, and progressive leaders cannot offer a return to constitutionality."

The Guatemalan dissidents stressed that "Mejia Victores is a problem for the Reagan administration for two reasons: because he was a member of the two previous administrations. He was the commander of the Justo Rufino Barrios Garrison during General Lucas Garcia's administration and the defense minister in the government of the now-deposed Rios Montt.

NICARAGUA

SENATOR WILSON, PARTY ARRIVE ON OFFICIAL VISIT

PA111808 Managua Radio Sandino Network in Spanish 1200 GMT 11 Aug 83

[Text] Republican Senator Pete Wilson arrived in our country on an official visit yesterday as part of a tour that also includes stops in Panama, Honduras, Costa Rica, and El Salvador. Wilson is a member of the Armed Services Committee and of its subcommittees on tactical warfare, preparedness, sea power, and force projection.

The U.S. senator arrived on a private flight accompanied by Drew Harker, staff member of the Armed Services Committee; Mark Albrecht, Wilson's legislative assistant; and Lieutenant Colonel James Jones, of the U.S. Marine Corps.

Daniel Ortega Meets Wilson

PA120412 Managua Domestic Service in Spanish 0300 GMT 12 Aug 83

[Text] Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, met privately tonight with Republican Senator Pete Wilson.

Wilson arrived at Government House accompanied by U.S. Ambassador Anthony Quainton. Senator Wilson's meeting with Daniel Ortega came at the end of his 24-hour visit to Nicaragua.

Commander Ortega told Senator Wilson during their meeting at Government House that Nicaragua is interested in holding negotiations in search for peace, even though, in practice, the United States has accelerated war efforts through covert operations and the deployment of its war fleet.

Commander Ortega added that the governments of Central America and the U.S. Congress should stop those war efforts. Ortega said, however, that the United States has been very unstable and has not adopted a definite position on a plan for negotiations.

REBELS PARTIALLY DESTROY JIGUINA BRIDGE

PA112133 Managua Radio Sandino in Spanish 1830 GMT 11 Aug 83

[Text] Jinotega -- At about 0200 this morning, the Jiguina Bridge was partially destroyed by counterrevolutionary bands stationed 30 km from Jinotega. The damage to the bridge was caused by dynamite charges. After planting the charges, the counterrevolutionaries fled. This information was released by Second Lieutenant Casimiro Perez, Interior Ministry delegate at Jinotega.

UNAG LEADER KILLED; PEASANTS KIDNAPPED

PA112024 Managua Radio Noticias in Spanish 1200 GMT 11 Aug 83

[Text] Twenty-three peasants have been kidnapped in Rio San Juan Department, while a leader of the National Union of Farmers and Cattlemen, UNAG, was also killed in this same department.

According to reports, members of the Democratic Revolutionary Alliance group stabbed the peasant leader to death with bayonets and cut off his arms and legs.

The 23 kidnapped peasants were from Morrillo, near San Carlos, Rio San Juan Department.

INTERNATIONAL HUMAN RIGHTS CONGRESS REPORTED

PA111943 (Clandestine) Voice of Free Nicaragua in Spanish 0000 GMT 11 Aug 83

[Text] We will now report to the people of Nicaragua and to the free peoples of the world on the results of the First International Congress on Human Rights in Nicaragua, held in Costa Rica 8-10 August. The congress was attended by national political and labor organizations in exile that are demanding the return of a truly legal regime in our country, as well as by international organizations from Venezuela and Europe that struggle against any abuse of mankind's most sacred rights. Here is a report on the conclusions reached by the congress, read by Jose Esteban Gonzalez:

[Begin recording] We, the undersigned Nicaraguans, participating in the First International Congress on Human Rights in Nicaragua, struggling against the false democracy in our country and determined to establish a democratic regime in our country based on (?free) elections and the [words indistinct] Nicaraguans' fundamental rights as the foundation of our political, legal, and socioeconomic system, commit ourselves as of this moment to be on the alert, to fight in defense of the rights that are being violated in our country, and to reveal the real human rights situation in Nicaragua to all corners of the world.

Considering that only genuinely effective popular freedom can guarantee the democratic stability of a nation, and given that the current regime in Nicaragua is a totalitarian one that is repressing the rights of the Nicaraguan people in the name of freedom, we declare that the objectives of our struggle are:

1. To fully guarantee respect for human life, outlawing all acts of revenge and eliminating the death penalty, which were initiated by the Somozist dictatorship and made worse by the current FSLN dictatorship.

2. To ensure respect for international accords on prisoners of war, specifically in terms of the obligation to respect the Geneva agreements on armed conflicts.

3. To establish a democratic, representative, and independent regime that would guarantee true nonalignment.

4. To dissolve immediately the special courts and to reinforce the regular courts with honest independent judges.

5. To revise all judicial processes [words indistinct] and secure an immediate amnesty for all prisoners held on grounds of politics or conscience, and to guarantee that they will never again be persecuted by the state for personal or political beliefs.

6. To establish real, unrestricted freedom of thought, expression, and opinion, including the access of all people and organizations to both public and private communications media. All laws and organizations limiting these freedoms will be abolished.

7. To establish genuine freedom of conscience, religion, and faith, and to strengthen the Nicaraguan family.

8. To establish national educational plans, free of all manipulation, to ensure the preferential right of parents to control their children's education.

9. To respect the right of free labor association, including strikes and work stoppages [words indistinct], affiliation with any international association and respect for international labor commitments.

10. To recognize the rights of free association, eliminating all laws that limit this right and granting legal status to all organizations that are struggling for and promoting the freedom of the Nicaraguan people.

11. [Words indistinct] true political pluralism, so that all political parties may have (?the opportunity) to gain power through free elections. The military shall never prevail over political or civilian interests.

12. To recognize and respect the right of property, guaranteeing that right to all people without exception.

13. To establish a regime of justice [passage indistinct].

14. To respect the cultural traditions and ethnic values of the Atlantic coast Indian and of the country's other Indian sectors and to repair the damage caused by the Somozist dictatorship and the current FSLN dictatorship.

15. To recognize the human rights organizations in Nicaragua and to provide them with the necessary means to work efficiently and freely in their noble task of defending and protecting human rights, guaranteeing their independence, freedom of movement, and their physical and moral integrity.

16. To accept the jurisdiction of international (?courts) on all human rights issues and to ask for their permanent vigilance over developments in the current situation, as part of their historical responsibility. To specifically accept the responsibility of the OAS Inter-American Human Rights Court, headquartered in San Jose, Costa Rica, on anything related to any conflict arising from violations of human rights.

17. To urgently alert the international humanitarian community to the human rights violations in Nicaragua, and to submit specific [words indistinct] to the pertinent organizations. We will observe the manner in which these organizations treat the Nicaraguan problem.

18. To recognize the Nicaraguan people's right to be free, and the right of all Nicaraguans now living in exile to return and to live in peaceful reconciliation in their homeland and at peace with neighboring countries.

19. To entrust to the Nicaraguan Human Rights Commission all those tasks and efforts which are necessary to ensure the effective distribution and promotion of the agreements reached at this First International Congress on Human Rights in Nicaragua.

This document is signed, in addition to ourselves, by citizens of sister nations who shared the work of this congress and who have promised to promote solidarity with the sacred interests of Nicaragua in their respective countries. We commit ourselves before God, our fatherland, and the international community to promote and transmit the agreements reached herein [words indistinct] until our country is finally liberated. [end recording]

BRIEFS

MINING AGREEMENT WITH MEXICO -- Emilio Rappaccioli, minister-director of the Nicaraguan Energy Institute, and Francisco Labastida Ochoa, Mexican secretary of energy, mines, and parastatal industry, signed an agreement today for mining cooperation between their two governments. Mexican experts will arrive shortly to analyze Nicaraguan mineral deposits and make recommendations on possibilities for exploitation. [Summary] [Managua Radio Sandino in Spanish 1830 GMT 5 Aug 83 PA]

BASIC GRAINS SHORTAGE -- The government will have to import 3.1 million quintals of basic grains for the 1983-1984 period to satisfy the people's needs. A grains shortage has resulted from the floods and droughts that have affected the country. These natural disasters have caused losses amounting to $372 million, according to an ECLA report. The country will therefore have to import basic grains from other countries in the region. It has also allocated more than 400 million cordobas to subsidize affected workers. [Summary] [Managua Radio Sandino Network in Spanish 1200 GMT 4 Aug 83 PA]

HAVANA ON U.S. MANEUVERS, SHELLING INCIDENT

FL111312 Havana Domestic Service in Spanish 1045 GMT 11 Aug 83

[Text] It has been announced that the United States will continue its deployment of forces in Honduras. In the past few hours, numerous Yankee military airplanes loaded with weapons and men arrived at four airports in Honduras as part of the Big Pine 2 Military Maneuvers, the largest ever implemented by the United States in the region.

Meanwhile, a prominent member of the Kissinger Commission on Central America told THE WASHINGTON POST that he had deep reservations about the military maneuvers being carried out by the Reagan administration in Central America.

San Antonio Mayor Henry Cisneros stated that Reagan had not convinced him that the presumed Soviet-Cuban threat justified the escalation of the military exercises. He warned of the danger of repeating the historical error of using a hardline approach toward the area.

While Reagan was being accused in the United States of making preparations for war, it was learned that a Yankee ship accidently fired a shell at a Mexican merchant ship off the coast of San Diego, California.

Despite the danger, the incident was not immediately made public. Moreover, it showed deficiencies in the computer system of the frigate USS George Philip, as well as very bad marksmanship. Luckily, the shell landed about 9 miles off the stern of the Mexican freighter.

CHARGES LINKING U.S. TO GUATEMALAN COUP CITED

PA111745 Havana International Service in Spanish 0000 GMT 11 Aug 83

[Text] In Mexico City, Senator Gonzalo Martinez Corvala has said that the military coup in Guatemala was planned in Washington. The object was to turn that country into a guardian of U.S. interests in Central America, since the deposed General Rios Montt's state of mind impeded the White House's warmongering plans.

Meanwhile, Ricardo Molina, president of the Venezuelan Council for Peace and Human Rights, said in Caracas that the coup is part of a military pact among Guatemalan, Honduran, Salvadoran and U.S. militarymen.

Molina stressed that the military coup in Guatemala was a Pentagon decision and clearly reveals President Ronald Reagan's plans to militarize Central America and to return to the big stick policy.

Also in Caracas, Eduardo Gallegos, a Venezuelan communist leader, said that the ousted General Efrain Rios Montt was not useful enough for U.S. plans of aggression against Nicaragua and the Salvadoran revolutionaries.

COMPOSITION OF KISSINGER COMMISSION SCORNED

FL111355 Havana Domestic Television Service in Spanish 1255 GMT 11 Aug 83

[International news commentary by Roberto Agudo]

[Excerpts] Here we have the famous bipartisan commission headed by Henry Kissinger that will study the Central American situation. Here we see them at the swearing-in ceremony. There you have Kirkpatrick, one of the personalities of the so-called new right of the United States.

Although this is a bipartisan commission, the majority of its members who will work with Kissinger are Texans. There has been more than one accusation in newspapers and in books -- in the book "Who Killed Kennedy," for example -- that Houston, in this case Dallas, the state of Texas specifically, is the most reactionary state of the United States and that Dallas, the capital of Texas, is the capital of the extreme right of the United States. [sentence as heard]

Based on this, one can draw one's own conclusions about this bipartisan commission that will study the situation in Central America from the political, economic, and military viewpoints, as has been announced.

ORTEGA REMARKS ON ECONOMIC CRISIS IN C.A. CITED

PA112106 Havana International Service in Spanish 2310 GMT 10 Aug 83

["Our America" commentary]

[Text] Some days ago Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction of Nicaragua, again stressed the grave economic and social situation that prevails in Central America. He reiterated that this reality is not an invention of the Soviet Union, Cuba, or Nicaragua, but a consequence of internal and external exploitation and the lack of collaboration among countries with a market econom

Daniel Ortega urged Washington to grant the Central American region the $5 billion demanded by this group of countries to face the current crisis. He added that this figure represents a few meager crumbs in comparison with the billions of dollars spent by the United States on weapons.

One of the Central American countries afflicted for many years by a grave economic and social crisis is Honduras. Precisely in this small nation of barely more than 3 million inhabitants there has been a rash arms buildup, in compliance with the U.S. Government's interests. This has made Honduras a spearhead to carry out armed actions against the Sandinist people's revolution and to try to stop the victorious development of the revolutionary struggle in El Salvador.

The United States has begun land maneuvers in Honduran territory with exaggerated military fanfare. These maneuvers include the participation of more than 6,000 Honduran soldiers and some 5,000 U.S. soldiers. In a brief period of time the strength of the Honduran Armed Forces has increased from 13,000 to 21,000. Last June Armed Forces Chief General Gustavo Alvarez traveled to Washington to buy new weapons, helicopter gunships, and combat aircraft.

Hasty preparations are taking place in Honduras to build and enlarge new military airports. The Pentagon has already installed modern radar there for espionage purposes against the entire Central American and Caribbean area.

As proof of the U.S. interventionist role in Central America, we can point to the thousands of soldiers from the genocidal Salvadoran regime who will be trained, according to Washington's plans, by U.S. advisers at the Puerto Castilla base, located on the Atlantic coast of Honduras, near the port of Trujillo. This was a long-forgotten and impoverished area of Honduras where people now talk about building new restaurants and entertainment centers for the military officers who visit frequently.

How many millions of dollars have been invested lately by the United States for military and arms development in Honduras? The figures are extremely high. This would appear absurd were it not for the threat it implies for the Honduran people and for the region. Honduras is one of the poorest countries in the hemisphere, and its economy is bankrupt. Honduras has not been threatened by any neighboring country. Therefore, we should ask ourselves if this nation could at least dedicate its minimal resources to other goals, and work toward solution of the crisis. The country should improve the people's living conditions because two thirds of them live in extreme poverty. It should create jobs for the 300,000 unemployed.

This reality, of which Honduras is an example, is the basis for Daniel Ortega's premise that if Washington were really interested in solving the Central American problems, rather than investing millions of dollars in covert operations and deployment of war troops, it would make an effort to respond to the Central American nations' demands.

BRIEFS

BOLSHEVIK ANNIVERSARY MARKED -- A ceremony commemorating the 80th anniversary of Second Congress of the Russian Social Democratic Workers (Bolshevik) Party was held at the Valles of Picadura livestock breeding farm. Ramon Castro, presiding over the ceremony, gave a historical sketch of the party and emphasized the figure of Lenin. (?Petr Kondrashov), counselor of the Embassy of the Soviet Union in our country, told Informacion Politica [name of radio program] that the ceremony was an emotional occasion for him. [Summary] [Havana Domestic Service in Spanish 1045 GMT 11 Aug 83 FL]

COLOMBIA

LLOREDA RESPONDS TO MEJIA REMARKS ON CONTADORA

PA111340 Paris AFP in Spanish 2123 GMT 10 Aug 83

[Excerpts] Bogota, 10 Aug (AFP) -- Today Colombia urged Guatemala to continue its support for dialogue as a means of eventually achieving a peaceful solution to the conflicts that are afflicting the Central American countries.

Colombian Foreign Minister Rodrigo Lloreda issued the call in response to new Guatemalan President General Oscar Mejia's statement on Tuesday that the Contadora Group "has nothing to do in Central America."

In a statement to Bogota's RCN [Radio Cadena Nacional], Lloreda defended the work carried out by the Contadora Group (Colombia, Mexico, Panama, and Venezuela), and noted that he will not get involved in what he described as a "useless argument."

Meanwhile, other sectors of Colombian public opinion have remarked that they feel that the new Guatemalan leader's position may hinder Contadora's efforts to mediate, and predicted that they might fail as a result.

Lloreda agreed with Gen Mejia's statement that the Central American crisis must be solved by its own protagonists, and explained that the Contadora Group has not interfered in the internal affairs of the countries in conflict.

"We've always held and emphasized that the countries involved must decide their own destiny, and this is a position that the Contadora Group has never ignored," Lloreda told RCN, adding that "Our task is to promote dialogue."

"Before getting involved in a useless argument, I believe that we must wait to see what develops and how the Guatemalan situation will be settled," Lloreda concluded.

VENEZUELA

ZAMBRANO VIEWS MEJIA COMMENTS ON CONTADORA

PA111735 Madrid EFE in Spanish 2154 GMT 10 Aug 83

[Text] Caracas, 10 Aug (EFE) -- Venezuelan Foreign Minister Jose Alberto Zambrano today said that he does not believe that the new Guatemalan Government will oppose the Contadora Group's peace efforts.

Zambrano appeared today before the Chamber of Deputies' Foreign Policy Committee to answer questions about international affairs in which Venezuela is directly involved. The Venezuelan minister was asked his opinion of a statement allegedly made by Guatemalan President Oscar Humberto Mejia Victores, who reportedly criticized the Contadora Group. Zambrano answered: "I doubt very much that the new Guatemalan leader made the statement disqualifying the Contadora Group that was attributed to him."

The foreign minister said that the new Guatemalan Government has confirmed in writing to the Venezuelan ambassador to Guatemala that "It is the Latin American countries, particularly the Central American countries, that should seek solutions." Referring to Venezuela's position on the new Guatemalan Government, Zambrano said: "Venezuela has no statement to make in this regard."

DOMINICAN REPUBLIC

MERCEDES ACCUSES U.S. OF BASE PLANS ON ISLAND

PA112008 Havana International Service in Spanish 0000 GMT 11 Aug 83

[Text] Leonardo Mercedes, the leader of the Dominican Republic Leftist Front, has accused the United States of planning to use this Caribbean country as an operations base for its aggressive policy against the region.

In a statement for the press in Managua, Mercedes added that U.S. military advisers are also working on the installation of an operations center in Cape Saint Nicolas, Haiti.

GUYANA

BRIEFS

CHINESE AMBASSADOR CREDENTIALS -- Georgetown, Guyana, Aug 6, CANA -- China's new ambassador to Guyana, Yang Mai has pledged "fervent efforts to further strengthen friendly relations between our two countries." The diplomat spoke as he presented his credentials to Vice President Steve Naraine. "Amicable relations between our two countries have grown daily and satisfactory progress has been developed between the two Third World countries in many fields of cooperation," the ambassador said. Yang Mai said "Both countries were subjected to imperialism in the past and are today faced with the common task of safe guarding world peace as well as building their respective countries." Replying, Naraine said Guyana had received "significant assistance from the Chinese Government from which Guyanese have benefitted immensely." "It is my hope that the existing amicable relations could be strengthened in areas of trade and technical and cultural cooperation to the benefit of both peoples." Naraine said China and Guyana had been cooperating with each other in opposing imperialism on the international scene. [Text] [Bridgetown CANA in English 1515 GMT 6 Aug 83 FL]